

**Why Obama
can't play
the populist**

BY JOE KLEIN

Health Report:
The rise and risks
of early puberty

**The value in
Cain's 9-9-9
tax plan**

BY FAREED ZAKARIA



PLUS:
WHO
KILLED
VINCENT
VAN
GOGH?

TIME



The China Bubble

We're counting on China's
growth to save the world.

Unless its economy blows up first



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market, helping create thousands of jobs,
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A close-up portrait of Patricia Yarrington, a woman with short dark hair, looking directly at the camera with a slight smile. She is wearing a patterned shirt.

OIL COMPANIES SHOULD PUT THEIR PROFITS TO GOOD USE.

WE AGREE.

Pat Yarrington

Patricia Yarrington
Vice President & Chief Financial Officer
Chevron

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Photo-Illustration by Joe Zeff Design

for TIME. Woman: PhotoTalk/iStockphoto; inset: Harvard Art Museum/Art Resource



Dr. Michelle Klein, a pediatric endocrinologist in Manhattan, examines a 10-year-old patient. Photograph by Carol Taveras for TIME

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For adults with chronic moderate to severe plaque psoriasis

Clearer skin



Before
ENBREL



With
ENBREL

**Example of approximately 75% skin clearance after 3 months.
For illustrative purposes only. Your results may vary.**

Prescription ENBREL is an injection that is clinically proven to provide clearer skin.

In medical studies, nearly half of patients saw a significant improvement in their plaque psoriasis within 3 months of using ENBREL. Overall, 3 out of 4 patients saw improvement. Your results may vary.

ENBREL can lower the ability of your immune system to fight infections. Serious infections have happened in patients taking ENBREL, including tuberculosis (TB).

Debra J., ENBREL user since 2004

ENBREL is indicated for the treatment of adult patients (18 years or older) with chronic moderate to severe plaque psoriasis who are candidates for systemic therapy or phototherapy.

IMPORTANT SAFETY INFORMATION

What is the most important information I should know about ENBREL?

ENBREL is a medicine that affects your immune system. ENBREL can lower the ability of your immune system to fight infections. Serious infections have happened in patients taking ENBREL. These infections include tuberculosis (TB) and infections caused by viruses, fungi, or bacteria that have spread throughout the body. Some patients have died from these infections. Your doctor should test you for TB before you take ENBREL and monitor you closely for

TB before, during, and after ENBREL treatment, even if you have tested negative for TB.

There have been some cases of unusual cancers reported in children and teenage patients who started using tumor necrosis factor (TNF) blockers before 18 years of age. Also, for children, teenagers, and adults taking TNF blockers, including ENBREL, the chances of getting lymphoma or other cancers may increase. Patients with RA or psoriasis may be more likely to get lymphoma.

Before starting ENBREL, tell your doctor if you:

- Have any existing medical conditions
- Are taking any medicines, including herbs
- Think you have, are being treated for, have signs of, or are prone to infection. You should not start taking ENBREL if you have any kind of infection, unless your doctor says it is okay

- Have any open cuts or sores
- Have diabetes, HIV, or a weak immune system
- Have TB or have been in close contact with someone who has had TB
- Were born in, lived in, or traveled to countries where there is more risk for getting TB. Ask your doctor if you are not sure
- Live, have lived in, or traveled to certain parts of the country (such as the Ohio and Mississippi River valleys) or the Southwest where there is a greater risk for certain kinds of fungal infections, such as histoplasmosis. These infections may develop or become more severe if you take ENBREL. If you don't know if these infections are common in the areas you've lived in, ask your doctor
- Have or have had hepatitis B

in 3 months

No out-of-pocket cost for 6 months*

If you and your doctor decide that ENBREL is right for you, ask about help with out-of-pocket costs through *ENBREL Support*™.

Eligible patients can receive up to \$4,000 of assistance for each 6-month period.* Patient is responsible for costs above these amounts.

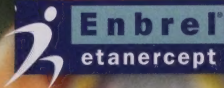
*Eligibility: Open to patients with commercial prescription insurance. Not open to uninsured patients or patients receiving prescription reimbursement under any federal, state, or government-funded insurance programs (for example, Medicare including Medicare Part D,

Medicaid, etc.) or patients who live in Massachusetts (or where prohibited by law). Restrictions, including monthly maximums, may apply. Offer subject to change or discontinuation without notice.

For patients with moderate to severe plaque psoriasis, who are first starting ENBREL and prescribed 50 mg twice-weekly dosing, program provides an additional \$2,000 per patient for the first 3 months of therapy only.



Ask your dermatologist if ENBREL is right for you.
Learn more: Visit AboutEnbrel.com or call 1-888-4ENBREL.



- Have or have had heart failure
- Develop symptoms such as persistent fever, swelling, bleeding, or paleness while taking ENBREL
- Use the medicine Kineret® (anakinra), Orencia® (abatacept), or Dylioan® (cyclophosphamide)
- Are taking anti-diabetic medicines
- Have, have had, or develop a serious nervous disorder, seizures, any numbness or tingling, or a disease that affects your nervous system such as multiple sclerosis or Guillain-Barre syndrome
- Are scheduled to have surgery
- Have recently received or are scheduled for any vaccines. All vaccines should be brought up-to-date before starting ENBREL. Patients taking ENBREL should not receive live vaccines.

- Are allergic to rubber or latex
- Are pregnant, planning to become pregnant, or breastfeeding
- Have been around someone with chicken pox

What are the possible side effects of ENBREL?

ENBREL can cause serious side effects including: New infections or worsening of infections you already have; **hepatitis B** can become active if you already have had it; **nervous system problems**, such as multiple sclerosis, seizures, or inflammation of the nerves of the eyes; **blood problems** (some fatal); new or worsening **heart failure**; new or worsening **psoriasis**; **allergic reactions**; **autoimmune reactions**, including a lupus-like syndrome and autoimmune hepatitis.

Common side effects include: injection site reactions, upper respiratory infections (sinus infections), and headache.

These are not all the side effects with ENBREL. Tell your doctor about any side effect that bothers you or does not go away.

If you have any questions about this information, be sure to discuss them with your doctor. You are encouraged to report negative side effects of prescription drugs to the FDA. Visit www.fda.gov/medwatch, or call 1-800-FDA-1088.

Please see Medication Guide on the following page

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Medication Guide Enbrel® (en-brel) (etanercept)

Read the Medication Guide that comes with Enbrel before you start using it and each time you get a refill. There may be new information. This Medication Guide does not take the place of talking with your doctor about your medical condition or treatment. It is important to remain under your doctor's care while using Enbrel. Enbrel is a prescription medicine called a Tumor Necrosis Factor (TNF) blocker that affects your immune system.

What is the most important information I should know about Enbrel?

Enbrel may cause serious side effects, including:

1. Risk of infection

Enbrel can lower the ability of your immune system to fight infections. Some people have serious infections while taking Enbrel. These infections include tuberculosis (TB), and infections caused by viruses, fungi, or bacteria that spread throughout their body. Some people have died from these infections.

- Your doctor should test you for TB before starting Enbrel.
 - Your doctor should monitor you closely for symptoms of TB during treatment with Enbrel even if you tested negative for TB.
 - Your doctor should check you for symptoms of any type of infection before, during, and after your treatment with Enbrel.
- You should not start taking Enbrel if you have any kind of infection unless your doctor says it is okay.

2. Risk of cancer

- There have been cases of unusual cancers in children and teenage patients who started using TNF-blocking agents at less than 18 years of age.
- For children, teenagers, and adults taking TNF-blocker medicines, including Enbrel, the chances of getting lymphoma or other cancers may increase.
- People with rheumatoid arthritis or psoriasis, especially those with very active disease, may be more likely to get lymphoma.

Before starting Enbrel, be sure to talk to your doctor:

Enbrel may not be right for you. Before starting Enbrel, tell your doctor about all of your medical conditions, including:

Infections – tell your doctor if you:

- have an infection. See "What is the most important information I should know about Enbrel?"
- are being treated for an infection.
- think you have an infection.
- have symptoms of an infection such as fever, sweats or chills, cough or flu-like symptoms, shortness of breath, blood in your sputum, weight loss, muscle aches, warm, red, or painful areas on your skin, sores on your body, diarrhea or stomach pain, burning when you urinate or urinating more often than normal, and feel very tired.
- have any open cuts on your body.
- get a lot of infections or have infections that keep coming back.
- have diabetes, HIV, or a weak immune system. People with these conditions have a higher chance for infections.
- have TB, or have been in close contact with someone with TB.
- were born in, lived in, or traveled to countries where there is a risk for getting TB. Ask your doctor if you are not sure.
- live, have lived in, or traveled to certain parts of this country (such as the Ohio and Mississippi River valleys, or the Southwest) where there is a greater risk for getting certain kinds of fungal infections (histoplasmosis, coccidioidomycosis, blastomycosis). These infections may happen or become more severe if you use Enbrel. Ask your doctor if you do not know if you live or have lived in an area where these infections are common.
- have or have had hepatitis B.

Also, BEFORE starting Enbrel, tell your doctor:

- About all the medicines you take including prescription and nonprescription medicines, vitamins and herbal supplements including:
 - ✓ Orencia® (abatacept) or Kineret® (anakinra). You have a higher chance for serious infections when taking Enbrel with Orencia® or Kineret®.
 - ✓ Cyclophosphamide (Cytoxan®). You may have a higher chance for getting certain cancers when taking Enbrel with cyclophosphamide.
 - ✓ Anti-diabetic Medicines. If you have diabetes and are taking medication to control your diabetes, your doctor may decide you need less anti-diabetic medicine while taking Enbrel.

Keep a list of all your medications with you to show your doctor and pharmacist each time you get a new medicine. Ask your doctor if you are not sure if your medicine is one listed above.

Other important medical information you should tell your doctor BEFORE starting Enbrel, includes if you:

- have or had a nervous system problem such as multiple sclerosis or Guillain-Barré syndrome.
- have or had heart failure.
- are scheduled to have surgery.
- have recently received or are scheduled to receive a vaccine.
 - ✓ all vaccines should be brought up-to-date before starting Enbrel.
 - ✓ people taking Enbrel should not receive live vaccines.
 - ✓ ask your doctor if you are not sure if you received a live vaccine.
- are allergic to rubber or latex.
- ✓ the needle covers the single-use prefilled syring and the single-use prefilled SureClick® autoinjectors contains dry natural rubber.
- have been around someone with varicella zoster (chicken pox).
- are pregnant or plan to become pregnant. It is not known if Enbrel will harm your unborn baby.
- ✓ Pregnancy Registry: Amgen has a registry for pregnant women who take Enbrel. The purpose of this registry is to check the health of the pregnant mother and her child. Talk to your doctor if you are pregnant and contact the registry at 1-877-311-8972.
- are breastfeeding or plan to breastfeed. It is not known if Enbrel passes into your breast milk. You and your doctor should decide if you will take Enbrel or breast feed. You should not do both.

See the section "What are the possible side effects of Enbrel?" below for more information.

What is Enbrel?

Enbrel is a prescription medicine called a Tumor Necrosis Factor (TNF) blocker.

Enbrel is used to treat:

- moderately to severely active rheumatoid arthritis (RA). Enbrel can be used alone or with a medicine called methotrexate.
- psoriatic arthritis. Enbrel can be used alone or with methotrexate.
- ✓ ankylosing spondylitis (AS).
- chronic moderate to severe plaque psoriasis in adults ages 18 years and older.
- moderately to severely active polyarticular juvenile idiopathic arthritis (JIA) in children ages 2 years and older.

You may continue to use other medicines that help treat your condition while taking Enbrel, such as nonsteroidal anti-inflammatory drugs (NSAIDs) and prescription steroids, as recommended by your doctor. Enbrel can help reduce joint damage and the signs and symptoms of the above mentioned diseases. People with these diseases have too much of a protein called tumor necrosis factor (TNF), which is made by your immune system. Enbrel can reduce the effect of TNF in the body and block the damage that too much TNF can cause, but it can also lower the ability of your immune system to fight infections. See "What is the most important information I should know about Enbrel?" and "What are the possible side effects of Enbrel?"

Who should not use Enbrel?

Do not use Enbrel if you:

- have an infection that has spread through your body (sepsis).

How should I use Enbrel?

- Enbrel is given as an injection under the skin (subcutaneous or SC).
- If your doctor decides that you or a caregiver can give the injections of Enbrel at home, you or your caregiver should receive training on the right way to prepare and inject Enbrel. Do not try to inject Enbrel until you have been shown the right way by your doctor or nurse.
- Enbrel is available in the forms listed below. Your doctor will prescribe the type that is best for you.
 - Single-use Prefilled Syringe
 - Single-use Prefilled SureClick Autoinjector
 - Multiple Use Vial
- See the detailed "Patient Instructions for Use" with this Medication Guide for instructions about the right way to store, prepare, and give your Enbrel injections at home.
- Your doctor will tell you how often you should use Enbrel. Do not miss any doses of Enbrel. If you forget to use Enbrel, inject your dose as soon as you remember. Then, take your next dose at your regularly scheduled time. In case you are not sure when to inject Enbrel, call your doctor or pharmacist. Do not use Enbrel more often than as directed by your doctor.
- Your child's dose of Enbrel depends on his or her weight. Your child's doctor will tell you which form of Enbrel to use and how much to give your child.

What are the possible side effects of Enbrel?

Enbrel can cause serious side effects, including:

See "What is the most important information I should know about Enbrel?"

- Infections. Enbrel can make you more likely to get infections or make any infections that you have worse. Call your doctor right away if you have any symptoms of an infection. See "Before starting Enbrel, be sure to talk to your doctor" for a list of symptoms of infection.
- Hepatitis B infection in people who carry the virus in their blood. If you are a carrier of the hepatitis B virus (a virus that affects the liver),

the virus can become active while you use Enbrel. Your doctor may do a blood test before you start treatment with Enbrel and while you use Enbrel.

- Nervous system problems. Rarely, people who use TNF-blocker medicines have developed nervous system problems such as multiple sclerosis, seizures, or inflammation of the nerves of the eyes. Tell your doctor right away if you get any of these symptoms: numbness or tingling in any part of your body, vision changes, weakness in your arms and legs, and dizziness.
- Blood problems. Low blood counts have been seen with other TNF-blocker medicines. Your body may not make enough of the blood cells that help fight infections or help stop bleeding. Symptoms include fever, bruising or bleeding very easily, or looking pale.
- Heart failure. Including new heart failure or worsening of heart failure you already have. New or worse heart failure can happen in people who use TNF-blocker medicines like Enbrel. If you have heart failure your condition should be watched closely while you take Enbrel. Call your doctor right away if you get new or worsening symptoms of heart failure while taking Enbrel, such as shortness of breath or swelling of your lower legs or feet.
- Psoriasis. Some people using Enbrel developed new psoriasis or worsening of psoriasis they already had. Tell your doctor if you develop red scaly patches or raised bumps that may be filled with pus. Your doctor may decide to stop your treatment with Enbrel.
- Allergic reactions. Allergic reactions can happen to people who use TNF-blocker medicines. Call your doctor right away if you have any symptoms of an allergic reaction. Symptoms of an allergic reaction include a severe rash, a swollen face, or trouble breathing.
- Autoimmune reactions, including:
 - ✓ Lupus-like syndrome. Symptoms include a rash on your face and joints that gets worse in the sun. Tell your doctor if you have this symptom. Symptoms may go away when you stop using Enbrel.
 - ✓ Autoimmune hepatitis. Liver problems can happen in people who use TNF-blocker medicines, including Enbrel. These problems can lead to liver failure and death. Call your doctor right away if you have any of these symptoms: feel very tired, skin or eyes look yellow, poor appetite or vomiting, pain on the right side of your stomach (abdomen).

Common side effects of Enbrel include:

- Injection site reactions such as redness, swelling, itching, or pain. These symptoms usually go away within 3 to 5 days. If you have pain, redness, or swelling around the injection site that doesn't go away or gets worse, call your doctor.
- Upper respiratory infections (sinus infections).
- Headache.

These are not all the side effects with Enbrel. Tell your doctor about any side effect that bothers you or does not go away.

Call your doctor for medical advice about side effects. You may report side effects to FDA at 1-800-FDA-1088.

How should I store Enbrel?

- Store Enbrel in the refrigerator at 36° to 46°F (2° to 8°C).
- Do not freeze.
- Do not shake.
- Keep Enbrel in the original carton to protect from light.
- Keep Enbrel and all medicines out of the reach of children.

General Information about Enbrel

Medicines are sometimes prescribed for purposes not mentioned in a Medication Guide. Do not use Enbrel for a condition for which it was not prescribed. Do not give Enbrel to other people, even if they have the same condition. It may harm them.

This Medication Guide summarizes the most important information about Enbrel. If you would like more information, talk with your doctor. You can ask your doctor or pharmacist for information about Enbrel that was written for healthcare professionals. For more information call, 1-888-4ENBREL (1-888-436-2735).

What are the ingredients in Enbrel?

Single-use Prefilled Syringe and the Single-use Prefilled SureClick Autoinjector:

Active ingredient: etanercept

Inactive ingredients: sucrose, sodium chloride, L-arginine hydrochloride and sodium phosphate

Multiple-use Vial:

Active ingredient: etanercept

Inactive ingredients: mannitol, sucrose, tromethamine

v5

Issue Date: 10/2010

This Medication Guide has been approved by the US Food and Drug Administration.

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Thousand Oaks, CA 91320

Pfizer

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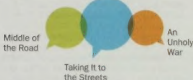
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MAIL



Street Fighters

Commentators keep asking what the Occupy Wall Street protesters want ["Taking It to the Streets," Oct. 24]. It's obvious: they want fairness. For years, every news cycle has brought fresh information about how corporate giants have enriched themselves at our expense. Aside from the protesters, who is standing up for the interests of the 99%?

Lynn Kolchyski, MACUNGIE, PA.

The protesters are focusing on the wrong group. Politicians are the ones who respond to lobbyists rather than to average Americans. Politicians are the ones who refuse to ask the wealthy to help address the worst economic crisis since the Great Depression. Politicians are the ones who allow unlimited money to corrupt our election process.

Richard McFadden Sr.,
PLYMOUTH MEETING, PA.

Speak Up, Silent Majority

I was glad to read about Joe Klein's recent road trip through the heartland ["Middle of the Road," Oct. 24]. Compared with last year's Tea Party enthusiasts, with their constant rants, this year's group was much more interested in civility and compromise. I hope politicians are getting the message: The time for holding your breath until you get your way is over. Grow up and share.

Abby Loberg, GRANBY, COLO.

I do hope the Silent Majority becomes more vocal at election time.

Jim Ballard, EAST LANSING, MICH.

The Religious Right's Record

I agree with Jon Meacham that calling in to question Mitt Romney's faith is "bad for all of us" ["An Unholy War," Oct. 24]. But Meacham's argument that the religious right is shrill because it "lost" on issues like abortion is off base. The right didn't lose on abortion. For proof of this, come to Texas. The abortion-southern-bill passed here last spring. And in 2011, there have been more restrictions placed on abortion than in any other year since 1973.

Charlotte H. Coffelt, KINGWOOD, TEXAS



THE CONVERSATION

'Fox News and CNN have mocked the protests,'

David Weigel observed on Slate, noting that their dismissal of the Occupy Wall Street movement as mere "kookery" was belied by TIME's nationwide poll, which found that twice as many Americans have positive views of these protesters than of the Tea Party. The poll, cited by many a pundit, was part of Michael Scherer's piece, "Taking It to the Streets," which prompted a strikingly uniform sense of validation among readers. In an e-mail to TIME that typified the support for the protesters, Peter Cartier of Queensbury, N.Y., welcomed what he called "the beginnings of a possible second American Revolution. It has been a long time coming."



Listomania

Download our new, free iPad app, **TIME Populist**, which features entertainment lists from the sublime to the ridiculous. In the mix: the all-TIME 100 movies, books, albums and TV shows—and to mark the 10th anniversary of the iPod, the 100 Greatest Songs, launching Oct. 24.

WRITE TO US

Send an e-mail: letters@time.com. Please do not send attachments

Send a letter: **TIME Magazine Letters, Time & Life Building, New York, NY 10020.** Letters should include the writer's full name, address and home telephone and may be edited for purposes of clarity and space

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MEET YOU THERE



Sheraton

spg.
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Preferred
Guest

• MERIDIAN


• IORA

• THE LUXURY COLLECTION

• WESTIN

• FOUR POINTS



A woman with brown hair tied back, wearing a dark blue or black sleeveless dress, is leaning over a counter in what appears to be a cheese shop. She is focused on her work, possibly slicing or arranging cheese. On the counter, there are several large wheels of cheese, some wrapped in plastic. In the background, there are shelves with more cheese and a silver serving bell. The lighting is bright, highlighting the textures of the cheese and the woman's concentration.

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I see an even better future
ahead of us.

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Briefing

'I hope this deal will advance peace and not lead to war.'

1. **GILAD SHALIT**, an Israeli soldier who had been held hostage in the Gaza Strip for five years, on Israel's agreement to release 1,027 Palestinian prisoners to secure Shalit's freedom

'Egos are clashing, but this is participatory democracy in a little park.'

2. **JUSTIN STREKAL**, a college student taking part in New York City's Occupy Wall Street protest, which has been going on for a month

'You have a problem with allowing someone to finish speaking.'

3. **MITT ROMNEY**, addressing Texas Governor Rick Perry in a heated exchange during the Oct. 18 Republican presidential debate, after Perry accused Romney of hiring illegal immigrants in his household

'Any unsuitable act, whether political or security, will meet a resolute response from the Iranian nation.'

4. **AYATULLAH ALI KHAMENEI**, Iran's Supreme Leader, warning against a U.S. response to the alleged Iranian plot to assassinate the Saudi ambassador to Washington

'It's the revolutionary decision to tear down this symbol of tyranny.'

5. **AHMAD GHARGORY**, commander of a Libyan revolutionary brigade, after the walls of deposed leader Muammar Gaddafi's main Tripoli compound were bulldozed



233%

Rise in Domino's Pizza's stock price since 2009, when the company began its "brutally honest" campaign acknowledging its reputation for a low quality product

400,000

Number of people deported by U.S. Immigration and Customs Enforcement in the 2011 fiscal year, the highest annual total in the agency's history

\$4.5 MILLION

Maximum cost to NASA to charter a suborbital flight from Virgin Galactic's new Mexico spaceport, with an option for two more flights



4 MILLION

Number of iPhone 4S handsets sold in three days, a record for Apple

Briefing

LightBox



Ride to ruin

A horrifying 15-car crash cut short the IndyCar World Championship in Las Vegas Oct. 16. The fiery pileup, blamed on unsafe track conditions, claimed the life of driver Dan Wheldon, in car 77

Photograph by Robert Laberge—Getty Images
lightbox.time.com





Shalit Walks Free, but Peace Is Still a Prisoner

To Catch This Man

2 | UGANDA The U.S. opened a new theater of war, deploying about 100 soldiers in the southern African nation. The troops—designated by the Pentagon as noncombat “military advisers”—will aid Uganda in its fight against the Lord’s Resistance Army, a notorious rebel outfit. The LRA’s messianic leader, Joseph Kony, is wanted for crimes against humanity, including the raping, mutilating, killing and kidnapping of thousands of civilians.



A 2006 picture of feared LRA leader Kony

3 | BHUTAN

Surrounded by well-wishers in elaborate traditional costume, a handsome young royal married a commoner—and it had nothing to do with Buckingham Palace. Bhutanese King Jigme Khesar Wangchuck wed his girlfriend Jetsun Pema, 21, in a celebration that ended before a stadium of 50,000 onlookers. Despite the regal pomp, the reform-minded Wangchuck, 31, has moved the isolated Himalayan enclave down a path to democracy. No foreign royals were invited to the event.

ON TIME.COM

'The opponent wanted Martin to be taken to a restroom to be strip-searched, but authorities refused to honor the request.'

TERRI POUS, **TIMI** contributor, working about 100,000 a day to organize the World Scrabble Championships in Warsaw when the Russian-born Marat was on a road to a later re-emergence of communism's letterfile.





Judgment Day

4 | U.K. With barricades outside her settlement set aflame, a woman from a community of Travellers, or Gypsies, brandishes a cross in front of watching media. She and others were protesting their eviction from the campsite, which has been subject to a decade-long legal battle. Police moved in on the settlement, home to some 400 Travellers of Irish extraction, on Oct. 19.

An End to Terrorism

5 | SPAIN A team of international mediators led by former U.N. Secretary-General Kofi Annan lobbied the Basque militant group ETA to put down its arms and end four decades of violent rebellion against the Spanish state. ETA formed to fight for an independent Basque homeland carved out of Spain and southwestern France. But its bombing campaigns over the years alienated even other hard-line Basque separatists.

December 1973: ETA assassinated Prime Minister Luis Carrero Blanco, a deputy to long-ruling dictator Francisco Franco, in Madrid in retaliation for the state's execution of Basque militants.

1980: Despite the advent of democracy, ETA kills nearly 100 people in its bloodiest year to date. Political assassinations and bombings become the group's trademark.

January and February 2000: A brief armistice ends after car bombs explode in Madrid and the Basque city of Vitoria.

March 2004: Train bombs in Madrid that kill 191 get initially blamed on ETA—only for it to emerge that al-Qaeda-linked Islamists were responsible.



January 2007: Hundreds of thousands protest in Madrid and the Basque city of Bilbao against the bombing of Madrid's airport a month earlier by ETA. The marchers call for negotiations.

May 2009: A coalition of non-Basque nationalist parties takes power in the local parliament for the first time in 30 years, a sign that separatism is flagging.

January 2011: With many key figures arrested, ETA announces a permanent cease-fire that meets with skepticism from the Spanish government.

Chasing After al-Shabab

6 | SOMALIA Hundreds of Kenyan soldiers poured across the border in a strike aimed at Islamist militants who control much of southern Somalia. The incursion was the latest in a series by foreign armies since an ill-fated intervention by Ethiopia in 2007. Al-Shabab, an al-Qaeda-affiliated militia, is accused of staging raids in Kenya and abducting tourists. Some fear that the presence of a new foreign force may bolster the militants' cause.

UNITED ARAB
EMIRATES

40%

Decrease in the rate of traffic accidents in the city of Abu Dhabi during a recent three-day worldwide BlackBerry outage.



Nation

The Big Questions

By Mark Halperin

Is Herman Cain for real?

Near universal condemnation of his signature 9-9-9 tax plan from economic gurus and GOP rivals has barely slowed Cain's remarkable rise in the polls. Under attack in the Las Vegas debate, Cain mostly remained cool, commanding and charming. He muffed a question, about negotiating with terrorists for hostages, that could foreshadow his eventual fate. But his gangbusters Internet fundraising—his campaign claims he is taking in a million bucks a week now—could keep him aloft.

Does Rick Perry still have a chance?



The Texas governor, having plunged in most national polls since mid-September, finally put in a solid performance at the Nevada debate. He created some titan-vs.-titan moments with Mitt

Romney, a dynamic Perry needs to repeat in future face-offs if he is going to bring the front runner down. He's not elegant on attack, though, and going on the warpath may risk doing

further damage to his image. Meantime, his \$17 million fundraising haul—and Super PAC superfriends—can buy plenty of television advertising to assail Romney and sell himself.

Who benefits most from Iowa and New Hampshire holding their contests in early January?

Probably Romney, partly because he has run once before and partly because he has spent so much time strategizing about the early caucuses and primaries. If he puts more time and money into the Hawkeye State, Romney could win Iowa (with his rivals dividing the social conservative vote) and then New Hampshire—effectively sewing up the nomination before any of his weaker rivals have time to catch fire and organize to stop him.

The Nuclear Triad Too Costly to Keep?

SEA

Replacing the Navy's aging Ohio-class ballistic missile submarines with new ones would cost \$104 billion.

\$104 billion

AIR

Replacing today's bomber and fighter squadrons with new ones would cost \$68 billion.

\$68 billion

LAND

Replacing today's tanks, armored vehicles, and other ground forces would cost \$44 billion.

\$44 billion

DEFENSE

A Nuclear Dyad?

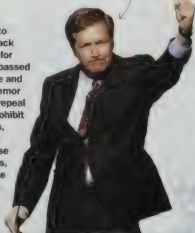
The Pentagon has long fielded a triad of bombers, subs and land-based missiles to protect some nuclear weapons from surprise attack. But now that each aging leg needs to be replaced, there's talk of cutting the three legs to two, probably by scrapping land-based missiles. Air Force General Robert Kehler, the Pentagon's nuclear chief, says the triad still "makes the most strategic sense." But with tight budgets, and with 65 House members pushing to cut nuke spending from \$700 billion to \$500 billion over the next 10 years, the half-century-old triad is vulnerable to a budgetary first strike.

OHIO

Looming Win For Labor?

Labor unions in this crucial swing state may be poised to win repeal of a law rolling back collective-bargaining rights for public employees that was passed last spring by the legislature and signed into law by GOP governor John Kasich. Opponents of repeal say the law, which would prohibit strikes and require teachers, cops and firefighters to pay more for benefits, would ease the state's strained finances, should voters allow it to take effect. Ohioans will take up the referendum, known as Issue 2, on Nov. 8.

Repeal would be a blow to Kasich, whose poll numbers hover around 40%.



NUMBER

50%

Percentage of Ohioans who support repealing the law that would prohibit strikes and require teachers, cops and firefighters to pay more for benefits.

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On Oct. 17 in Zuccotti Park, the protesters ate cake. Occupy Wall Street was one month old. Over the previous 30 days, protesters had annexed a park near the New York Stock Exchange, held marches, fended off eviction, spurred similar protests around the country and set up a leaderless mini-society. Working groups run everything from meals to sanitation. At night, the general assembly draws about 1,000 people to decide major issues like how to allocate funding. A strong objection from any one person can nix a proposal. That has made reaching consensus tough. Occupy Wall Street has been criticized for its lack of official demands. But an organizer, Yotam Marom, says that's silly. "We're occupying Wall Street," says Marom. "It should be pretty clear what we want changed."

Who Are the 1%?

1%
/ 99%

The Catalysts

David Gaudet (1) offered the "We are the 99%" slogan. Yoshiko Matsuda (2) planned an earlier live-in protest in downtown Manhattan. Video of Kylee Goodrich (3) being pepper-sprayed drew crowds. Canadian editor of *The Lancet* (4) proposed the protest.

Continued on inside back cover



Department of Health
 1000 Pennsylvania Avenue
 Washington, D.C. 20037
 (202) 201-2000



Approximately 1,000 people assemble in lower Manhattan and climb Zuo's 6th Park



Amitesh has crossed the Brooklyn Bridge steps (traffic, beach, to the arrests) and generates spontaneous publicity.



themselves as protesters about up to defiled the park, but returned with no signs averted.



A "photos day" of activists
attended the world-wide
with an in-occupancy
Times Square



Occupy Wall Street is small in numbers—a few hundred camp out in Zuccotti Park each night—but hundreds and sometimes thousands more have joined in for weekend rallies.

6,000	955
Loads of laundry washed by Zuccotti Park "comfort" group	Arrests by NYPD in the protest's first month
8,000	84,448
Meals served by Zuccotti Park "kitchen" on Oct. 17	Followers of @OccupyWallSt on Twitter



What the Protesters Want ...

In general, they want to reduce collusion between Washington and Wall Street. There's no official list of demands, but here's how some would do it

EMBI WEITZEL, 25, COLORADO SPRINGS
"We need more transparency and regulations in campaign contributions, and we need to educate people about a culture that puts people before profits."

SAM MCCREE, 33, NEW JERSEY
"Bring our troops home, and use the money we are spending in war to build factories where ex-felons and the home less can get jobs."

JANET KORREN, 68, OAKLAND, CALIF.
"Our political, economic and ecological systems are controlled by a small group of people and not to our benefit. We need to create a new form of participatory democracy so we all have a voice."

ARON FISCHER, 33, BROOKLYN
"Bank regulators become bankers. Oil regulators become lobbyists. Washington's revolving door needs to be shut."

... and What the Pundits Want the Protesters to Want

There's no shortage of free advice. But it's not clear the protesters are listening to the traditional liberal messengers

NICHOLAS KRISTOF, COLUMBUS
Eliminate capital gains tax breaks. People earning a wonderful living through investments shouldn't pay less than those earning a living through sweat.

MIKE KONCZAL, BLOGGER
Cancel the giant pool of bad mortgage debt, investigate bad loans on Wall Street and create a financial transaction tax.

PAUL KRUGMAN, ECONOMIST
Debt relief. It won't become law, but the whole point of the protests is to change the political climate.

JOSEPH STIGLITZ, ECONOMIST
Protesters should demand the government create jobs, much like the WPA and the TVA in the Great Depression.



Celebrity Support

Musicians, movie stars and pundits have visited Zuccotti Park. Hip-hop mogul Russell Simmons tweeted during the cleanup standoff, "I will pay for cleanup of Zuccotti Park to avoid confrontation. I don't want to go to jail, but I'll be there ready!"

VERBATIM

'Don't blame Wall Street. Don't blame the big banks. If you don't have a job and you're not rich, blame yourself.'

HERMAN CAIN, Republican presidential candidate, Oct. 5

The Global Chorus

European protesters have shown solidarity with those in the U.S.



London, Oct. 6



Berlin, Oct. 6



Washington, Oct. 6

No Bullhorns Allowed

All decisions stem from the movement's "horizontal process," which involves mass meetings known as general assemblies. Protesters use hand signals to communicate their views.



AGREE/SUPPORT



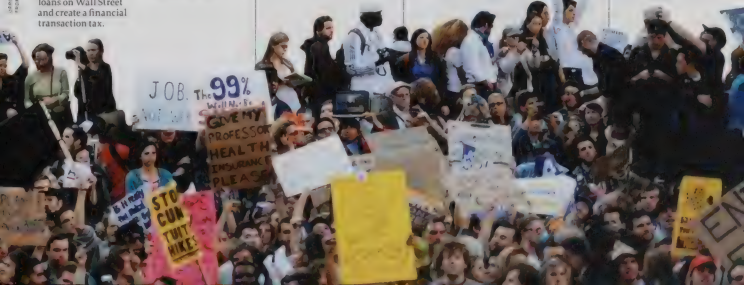
DISAGREE/DO NOT SUPPORT



POINT OF PROCESS



ETHICAL OR SAFETY OBJECTION



Health&Science

ADHD at Age 4? Treatment guidelines for preschoolers

ATTENTION DISORDERS DON'T suddenly appear when kids enroll in school, of course, but they're hard to spot outside the structured classroom environment. How would you know, for instance, that a child's fidgety inattention isn't just the normal exuberance of youth?

To help parents and doctors figure it out, the American Academy of Pediatrics (AAP) has released new guidelines for diagnosing and treating attention-deficit/hyperactivity disorder in children as young as 4 and up to age 18. The AAP's previous advice included only kids ages 6 to 12. In younger children, the AAP advises pediatricians to look for evidence of consistent and persistent inattentive or hyperactive behavior. It's not enough to hear parents complain about a restless kid; at least one other caregiver or counselor must support the concern over a period of at least four to six months.

The expanded recommendations are based on data showing that even children who haven't started school can benefit from treatment. The sooner they learn how to concentrate and stay focused, the better they perform when they enter a classroom. As far as treating preschoolers, the guidelines stress behavioral interventions first but allow for the use of medications like methylphenidate in combination with behavioral therapies in severe cases. —ALICE PARK



PESTS

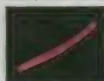
Finding a Chink in Bedbugs' Armor

Thanks in part to their increasing resistance to pesticides, bedbugs are enjoying a comeback in the U.S. But scientists have now isolated several genes that help the bugs neutralize insecticides, which may lead to more-effective treatments.

BACTERIA

Gut Bugs and Cancer

In two independent studies, scientists discovered a bacterium called *Fusobacterium* in the tumors of colon-cancer patients. The bugs were found in higher levels in tumors than in patients' healthy colon tissue, leading researchers



to wonder whether the bacteria—which have previously been linked to ulcerative colitis, a colon-cancer risk factor—may spur cancer too.

ALCOHOL

\$224
BILLION

Annual expense of excessive drinking in the U.S., largely due to lost productivity and health care and criminal justice costs



INFECTIOUS DISEASE

A Shot Against Malaria

For the first time, a vaccine is showing promise in protecting children from the parasite-driven disease. The three-dose immunization reduced malarial infections by 56% and severe cases by 47% over a year in 5-to-17-month-old African children. The trial will continue until 2014 with younger infants and will test if a booster dose can improve the vaccine's effectiveness.





I need to

Get the MRI results
See if the blood work is ready
Review Ms. Cooper's history
And visit Katie before she goes home

do more

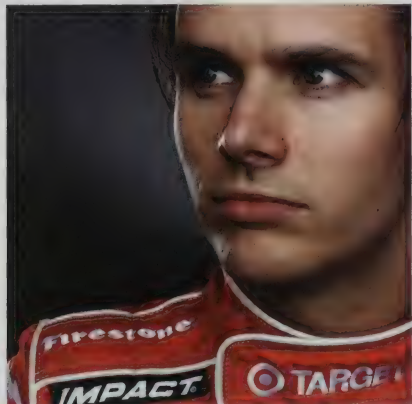
With Integrated Healthcare Solutions from Dell, digital patient files are always within reach. So now Dr. Ling can spend more time with patients and less time on paperwork.

dell.com/domore



The power to do more.

Milestones



DIED

Dan Wheldon

Race-car drivers routinely risk their lives. But fatalities are relatively rare. So when reigning Indy 500 champ Dan Wheldon died Oct. 16 in a fiery 15-car pileup at the Las Vegas Motor Speedway—his car turned over in the air and slammed into a fence—the sports world was stunned. Wheldon, 33, who grew up driving go-karts in England, died of blunt head trauma. He leaves behind a wife and two young children, and serious concerns about the safety of his sport.

Before the race, many drivers had warned that banked ovals like the Vegas course were more suited to slower, sturdier NASCARs than to the roofless Indy cars that race on road and street tracks. The oval's 20-degree rise lets drivers floor the accelerator, and its width invites the side-by-side pack racing that led to Wheldon's crash when two cars made contact. As four-time series champ Dario Franchitti put it, "I said before we even tested here that this was not a suitable track for us." Grieving fellow drivers saluted Wheldon by circling the Vegas track five times. —SEAN GREGORY

DIED

Sue Mengers

By Karen Rosenfelt

People remembered her withering wit, feared her negotiating prowess, envied her client list, respected her uncanny intelligence. Sue Mengers, who died Oct. 15 at 79, was one of the first great female Hollywood power agents. But she was also a loyal friend and an inspiring teacher.

My first meeting with Sue was in 1981, when I was interviewing to be her second secretary. As she interrogated me, I found myself stealing glances at photographs of Sue with her many clients—Barbra Streisand, Candice Bergen, Ali MacGraw, Sidney Lumet, to name a few. The interview was interrupted by phone calls from studio heads and clients. I marveled at how she switched gears, smoothly taking each call, then resuming her lecture about what she expected from her secretary: one's heart and soul.

That was what Sue gave her clients, never accepting no when she wanted to hear yes, teaching me day after day, deal after deal, that nothing matters more in business or in life than passion and tenacity. Like nearly all trailblazers, Sue had an exacting personality: she fired me at least a dozen times during my 18-month tenure, but she always gave me another chance to be fired again.

Rosenfelt is the producer of 13 films, including the *Twilight* series



Out and about Mengers with Jack Nicholson, left, and David Geffen, right

DIED

Frank Kameny, 86, pioneering gay-rights activist who fought his 1957 firing from a U.S. federal job as an accused "sexual pervert." He lost the case but won in the court of history.

WON

Britain's prestigious Man Booker Prize, by four-time finalist Julian Barnes, for his novel *The Sense of an Ending*, about a man abruptly facing truths from his past.

INCREASED

The price of a first-class postage stamp, by 1¢, to



45¢, the first increase in two years. The U.S. Postal Service faces heavy competition from e-mail and private carriers like FedEx. The new price goes into effect Jan. 22.

DIED

Dennis Ritchie, 70, computer scientist who wrote the C programming language and helped develop the Unix operating system, which led to the open-source Linux.

DIED

Elouise Cobell, 65, a Native American who launched a 15-year class action, eventually winning \$3.4 billion, over federal mismanagement of Indian trust funds.

APPROVED

By the Pennsylvania legislature, a controversial takeover by the state of the finances of its capital, Harrisburg, which filed for bankruptcy earlier this month.



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Get out of the sun. Grab some shade.
There's nothing sexier than healthy skin.*



Protect your skin. Go with the beauty you
were born with. It looks great on you.



Go with your own glow™

Follow us on  

Head Count

On Oct. 31, the 7 billionth person is projected to be born. What do our growing numbers mean for our future?

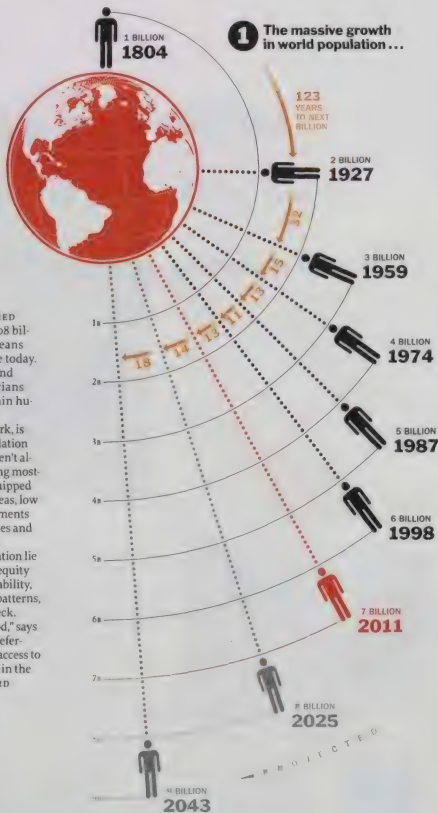
SINCE MODERN *HOMO SAPIENS* FIRST APPEARED around 50,000 B.C., an estimated total of 108 billion people have lived on earth—which means that about 6.5% of all humans ever born are alive today. That's a lot of bodies to feed, clothe and shelter, and economists, demographers, scientists and politicians have long fretted over our world's ability to sustain humanity as it multiplies.

The good news, as we approach the 7 billion mark, is that we likely have the resources to sustain a population of that size. The bad news is that those resources aren't always where the people are. Populations are booming mostly in the poorer regions of the planet—the least equipped to accommodate additional life—while in other areas, low fertility rates and increased life spans have governments concerned about maintaining productive economies and providing for the rising numbers of elderly people.

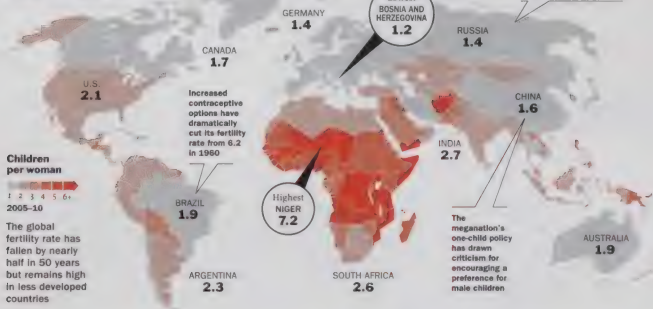
The challenges of the expanding human population lie not so much in curbing growth as in addressing inequity around the globe: finding ways to promote sustainability, support aging generations and adapt to migration patterns, all while keeping our footprint on the planet in check. "Generally speaking, countries do have enough food," says Carl Haub, senior demographer at the Population Reference Bureau. "It's just that many people don't have access to it because of poverty." That's something to work on in the 14 years between now and 8 billion. —ANDRÉA FORD



ALL TOGETHER
If you packed the world's population in at New York City's density, we would fit inside the state of Texas.



2 ... is being fueled by high fertility in poor regions

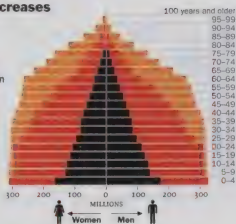


3 ... and by increases in life span

There were 12 working-age people for every person over 65 in 1950; by 2050 there will be 3

Population by age and sex

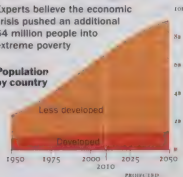
1950
2010
2050 (projected)



4 So the need for development will become even more critical

Experts believe the economic crisis pushed an additional 64 million people into extreme poverty

Population by country



1 in 8
people is undernourished

1 in 3
people lacks a hygienic toilet

1 in 3
city dwellers lives in a slum

Sources: U.N., Population Reference Bureau; CIA World Factbook; TIME Graphic by Andria Ford and Jon Twetten

THE MOST REPRESENTATIVE EXAMPLE OF OUR 7 BILLION ...



Lives in China
19% of world population



Is Christian
33% of world population



Is male
50.4% of world population



Lives in a town or city
50.5% of world population



Is 29 years old
Median age of world population



Makes \$10,290 per year
Per capita gross world income



Does not use the Internet
73% of world population



Joe Klein



To read Joe's
blog posts, go to
[time.com/
swampland](http://time.com/swampland)

An Implausible Populist

Obama hopes to join forces with the protesters, but his record tells another story

A SIGN OF DESPERATION FROM THE Obama White House: senior adviser David Plouffe now says public anger over Wall Street will be a big part of the President's 2012 strategy. "We intend to make it one of the central elements of the campaign next year," Plouffe told the *Washington Post*. "One of the main elements of the contrast will be that the President passed Wall Street reform and our opponent and the other party want to repeal it." True enough. The President did sign the watered-down, overly complicated and difficult-to-enforce Dodd-Frank reform package last year, and the Republicans, at the bankers' behest, are trying to gut it. And it is also true that the Occupy Wall Street (OWS) protests reflect a general belief—ranging across the political spectrum from Tea Partiers to anarchists and a great many average folks in between—that the big banks have raped and pillaged the American economy.

But there are problems with the President's new populist tack. The first is the OWS movement itself, which includes a generous measure of weirdos, ideologues and free-range troublemakers. A recent, unscientific *New York* magazine poll of 100 demonstrators found that 34 percent believed the U.S. government is no better than al-Qaeda. I wouldn't be at all surprised if the OWS protesters managed, before long, to destroy the credibility of a worthy political complaint in a spasm of puerile extremism. The other problem is the President's credibility as an anti-Wall Street crusader. He has none.

Ron Suskind's new book about the Obama economic policy, *Confidence Men*, has drawn a lather of complaints from the Administration and some journalists—and some of the dust is justified. There are more than a few careless mistakes in the

book. I mean, how hard would it be to check the proper spelling of legendary banker Walter Wriston's name? But Suskind has gotten the most important thing right: Obama was faced with a fairly stark economic-policy choice after he was elected, and he chose wrong.

The President could have taken the painful path of real Wall Street reform, espoused by former Federal Reserve Chairman Paul Volcker—who might have been



Obama's Treasury Secretary—and the consumer-credit reformer Elizabeth Warren. This would have meant restructuring the big banks. It would have meant reimposing real regulatory reforms—like the Glass-Steagall Act, which prohibited traditional banks from engaging in most of the fancy Wall Street derivatives gambling. And it might even have meant imposing a tax on Wall Street transactions, especially financial derivatives, in order to discourage the speculative churning that helped collapse the market. It would have meant that the big banks paid a price for their bailouts.

Instead, Obama went with the Wall Street establishment. He chose Timothy Geithner as Treasury Secretary. Suskind makes a compelling case that Geithner

ignored or slow-walked the President's desire to break up Citibank, an institution that remains a mess to this day. Geithner also was vehemently opposed to naming Warren, one of the few financial experts who speak plain English, as the head of the Consumer Financial Protection Bureau. Then Obama chose Lawrence Summers, who has a stratospheric intelligence—not always a good thing when it comes to finding real answers on Planet Earth—and the emotional intelligence of a gnat, as the head of the National Economic Council. In a previous incarnation, as Treasury Secretary, Summers pushed the Commodity Futures Modernization Act in 2000, which prohibited the government from regulating financial derivatives. That alone should have disqualified him from public service in a Democratic administration.

Obama made a no-drama choice that must have seemed safe at the time. But it didn't work, in either political or policy terms. The Wall Street bankers whined and bleated about the minimal reforms Obama favored; they've thrown their cash to his most likely opponent in next year's election, Mitt Romney. And those minimal reforms have left Wall Street morally hazardous and financially toxic. The disastrous, unwritten national policy of promoting finance over production is still in place. Volcker has been elo-

quent about the unnatural bloating of the financial sector, whose share of corporate profits has risen from 13.2% in 1981 to 27.8% in 2010. Our finest college graduates understand that there's a lot more money in making deals than in making products. That is not a recipe for long-term success.

There's no guarantee that the economy would be any better today if Obama had chosen to reform Wall Street. Real change takes time. But he would have had a clear record to run on in 2012—and he would have addressed the most profound structural problem our economy faces going forward. As it stands, his differences with Romney on this crucial issue are minimal at best, no matter how Plouffe spins it.

GECKONOMICS



201

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Some discounts, coverages, payment plans and features are not available in all states or all GEICO companies. Average savings amount based on national GEICO New Policyholder survey data through August 2010. Customer satisfaction based on an independent study conducted by Alan Newman Research. 2010: GEICO is the third-largest private passenger auto insurer in the United States according to the 2009 A.M. Best market share report, published July 2010. Homeowners and renters coverages are written through non-affiliated insurance companies and are secured through the GEICO Insurance Agency, Inc. Motorcycle coverage is underwritten by GEICO Indemnity Company. Government Employees Insurance Co. • GEICO General Insurance Co. • GEICO Indemnity Co. • GEICO Casualty Co. These companies are subsidiaries of Berkshire Hathaway Inc. GEICO Gecko image: © 1999-2011 GEICO. Washington, DC 20076 — 2011 GEICO

Fareed Zakaria



Complexity Equals Corruption

Herman Cain's "9-9-9" plan isn't perfect, but it's less crazy than you might think

HERMAN CAIN'S CAMPAIGN promise—the "9-9-9" tax-reform plan—has invited universal scorn from pundits in a way I have rarely seen. "Dial 9-9-9 for Nonsense," sniffed the *Economist*. "Ill-considered, hand-waving improvisation," said the conservative *National Review*. But Cain's idea has caught the public's attention, and for good reason.

I am going to defend not Cain's specific policy proposals but their general thrust. His plan is sloppy and, in parts, bizarre. But the impetus behind it—tax simplification and reform—is not. The first 9 is a 9% income tax to replace the current tax code. Most Americans believe that the federal tax code is highly complex and fundamentally corrupt. They are right. The federal code (plus IRS rulings) is now 72,536 pages in total. The code itself is 16,000 pages. The statist French have a tax code of 1,909 pages, only 12% as long as ours. Countries like Russia, the Czech Republic and Estonia have innovated and moved to a flat tax, with considerable success.

Complexity equals corruption. When

John McCain was still a raging reformer, he pointed to the tax code as the foundation for the corruption of American politics. Special interests pay politicians vast amounts of cash for their campaigns, and in return they get favorable exemptions or credits in the tax code. In other countries, this sort of bribery takes place underneath bridges and with cash in brown envelopes. In America it is institutionalized and legal, but it is the same—cash for politicians in return for favorable treatment from the government. The U.S. tax system is not simply corrupt; it is corrupt in a deceptive manner that has degraded the entire system of American government. Congress is able to funnel vast sums of money to its

favored funders through the tax code—without anyone realizing it. The simplest way to get the corruption out of Washington is to remove the prize that members of Congress give away: preferential tax treatment. A flatter tax code with almost no exemptions does that.

Cain's second 9 is a 9% rate for corporate taxes, except that it's not really a corporate tax but a business-transaction tax. Still, the basic idea has value. The U.S. to-



day has the second highest corporate tax rate in the industrialized world. And yet, of the 500 big companies in the Standard & Poor's stock index, 115 paid a total corporate tax rate—both federal and other—of less than 20% over the past five years. Thirty-nine of those companies paid a rate of less than 10%. So we have a system that appears unfriendly to business, invites companies to game the system and raises only a modest amount of revenue.

Cain's final 9 is actually a policy wonk's dream: a 9% consumption tax. The U.S. is the only rich country in the world without a national sales tax or value-added tax (VAT). Germany has one at 19%, Britain at

20% and Korea at 10%. What's the appeal of a consumption tax? First, it is efficient. Most studies, including the IRS's, suggest that the federal government loses several hundred billion dollars a year to tax fraud. This is tougher to pull off with a consumption tax. Second, it provides the government with a more stable source of revenue than income taxes, which fluctuate greatly between boom and bust years. Third, Americans consume too much, often using credit and leverage to do so. A consumption tax would moderate this behavior. Government will always get less of behaviors it taxes and more of what it subsidizes.

Ironically, the heavy reliance on income

taxes makes the American tax system more progressive than those in Europe. The federal government gets about 41% of its total tax revenue from taxes on individual incomes and profits, compared with 29% in Germany and 21% in France. (The balance for France and Germany comes from the VAT, which is highly regressive.) One recent Organisation for Economic Co-operation and Development study showed that the top 10% in America pay a larger share of total taxes (45.1%) than do the top 10% in any of the 24 countries examined. (In Germany they pay 31% of taxes; in France, 28%.)

My version of Cain's proposal would be flatter but not flat: 9% for the first 90% of Americans, 18% for the next 9% (incomes starting at \$150,000) and 27% for the top 1% (incomes starting at about \$500,000). I would keep a few straightforward deductions—state and local income taxes and charitable contributions. I would lower the corporate rate to 18% and impose a VAT of 9%. Finally, I would enact a 50% inheritance tax, because nothing is more un-American than an inherited elite that perpetuates itself. So my proposal is a bit more complex—the 9-18-27-18-9-50 plan. Don't expect it to catch fire on the campaign trail anytime soon.

Rana Foroohar



Uncertainty? Don't Be So Sure

Fundamental economic issues, not fear of the unknown, are rattling markets

ONE OF THE MORE ANNOYING ECONOMIC truisms is that "markets hate uncertainty." It's a line that's been used ad nauseam by corporate honchos and policymakers in recent months. House majority leader Eric Cantor is one of many who have complained that "jobs-destroying regulations" have created a "cloud of uncertainty" in the business environment that prevents companies from getting off their \$2 trillion pile of cash to create some new jobs. If only the global consequences of the European debt crisis were more certain, investors fret, stock markets would stabilize. And so on and on and on.

This is nonsense. For starters, the truth is that markets love uncertainty—it's exactly how people make money. Investing demands divergent opinions that create the dynamic territory in which fortunes can be had. Supersophisticated financiers actually try to create more uncertainty—big fish traders often confuse the little fish by dropping a bit of bait at one side of the pond (in the form of a large market-moving stock, bond or currency purchase), then watch the little fish gobble and swim around aimlessly looking for more, while they make a bundle throwing their lure elsewhere. In fact, what's truly worrisome is when there's absolute certainty around an asset. Remember Pets.com? Or subprime mortgages? The two words to remember here are *herd* and *cliff*.

But a more important point in today's volatile markets is that much of what we see as uncertain is anything but. Take the business climate. In a recent letter to Congress and President Obama, Thomas Donohue, head of the U.S. Chamber of Commerce, presented a laundry list of things that would help "ease uncertainty,

get existing capital off the sidelines, spur business and consumer activity, and create American jobs."

Many of these things, like expanding trade, ensuring energy security, investing in infrastructure and providing job-stimulating tax incentives, are great ideas and could create employment. But let's be clear: they won't fundamentally change the global headwinds the U.S. has been facing for four decades.



The reason large American multinational companies haven't created any new net jobs here at home since the 1980s isn't that global trade negotiations are stalled or that government hasn't subsidized liquid natural gas as a transport fuel or made it easier for foreign tourists to visit the Grand Canyon. It's that the integration of China, India, Brazil, Russia and other emerging markets into the global economy has added 2 billion people to the planet's workforce, driving down labor costs dramatically. The American jobs that haven't been offshored to these countries, which are also home to the fastest-growing consumer

markets, are being computerized—a process that has helped hollow out manufacturing and will take a major toll on white-collar workers if a huge effort isn't made around education and retraining.

Even when we look at events blamed for market volatility in the past few weeks—the European debt crisis, threats of greater taxation and regulation, continuing trouble in the global banking sector—it's hard not to feel a bit bored. None of this is new. There is no uncertainty. In 2009, investment guru Bill Gross, the head of the world's largest bond company, PIMCO, wrote that "the global economy has embarked on a bumpy journey to a New Normal."

It could encompass the decline of industrial nations, the rise of emerging economies, huge debt crises in the West, tax hikes and a reregulation of markets as governments struck back against banks. In this environment, Gross concluded, "the ability to make a fortune using other people's money will be a lot harder than it used to be." Roger that.

It's not just the megatrends that are known; the particulars are often clear too. For example, we have a pretty good idea about how much dicey European debt might infect international markets—after all, 90% of Greek bonds are held abroad, as are over half of Portugal's and Italy's.

That's several trillion dollars' worth of bad news—trillions more than the powers that be in Europe are currently willing to write down or restructure. We can only hope they get their act together and deal with it at the European leaders' summit.

And that goes to what's really worrying markets: the spread between reality and political action. We know what the fundamental problems are in the rich world. We borrowed and spent too much to keep a party going that should have ended years ago. The solution—a combination of austerity and investment to make us competitive again—isn't painless. But it's certainly not uncertain. ■

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WORLD

Be Very Afraid of The China Bubble

**Its economy grew on
real estate mania and
easy money—does
this sound familiar?**

By Ken Miller



WHAT'S THE MOST IMPORTANT ECONOMIC question in the world today? One contender is whether the euro will collapse. Another is whether the U.S. will plunge into a double-dip recession. But a third, and possibly the most important over the long term, is whether China can save the world—or whether the entire country is a \$6 trillion bubble that's ready to pop.

That's the size of the Chinese economy, now the second largest in the world, after the U.S.'s. China contributed 19% of global economic growth in 2010, and that's expected to increase to 24% this year. China's strength is essential to the recoveries of both the U.S. and Europe; if Beijing crashes, the reverberations will be felt from Boise to Brussels.

And plenty of smart people are worried that it will. It may seem strange to Americans who hear so much about the rise of Asia and the pressure of Chinese competitiveness, but there are big questions about China's future. For more than 30 years, the Chinese miracle has been built on cheap labor, cheap land and cheap capital. But the model is starting to break down. China's banks, which have doled out too many bad loans, are perhaps as troubled as those in the West. The frothiness of the real estate market in major Chinese cities makes the U.S. housing peaks of 2007 look positively staid. Inflation is growing, as is unemployment—particularly among the middle classes, for whom, as in the U.S., there aren't enough high-level jobs—and social unrest. China's own Premier, Wen Jiabao, calls his nation's economy "unbalanced, uncoordinated and unsustainable."

Nowhere are the problems more evident than in the real estate sector, which has been at the core of the country's growth and development. Like Republicans in the U.S. who try to "starve the beast" by cutting government spending, the Chinese Communist Party has been attempting to put a damper on the nation's debt-fueled real estate boom. This is part of a deliberate attempt to rejigger the economy into one that relies more on domestic consumer spending and less on manufacturing and exports. To ensure its future growth, China must move from being the world's factory to being one of its largest consumers. If, however, the party's efforts to take the country in that direction result in a precipitous drop in real estate values, the entire economy could crash. Multinational corporations whose revenue and earnings growth are tied to China could be hit hard. And the U.S. could be thrown back into recession.

While very few economists doubt that China's growth is going to slow eventually, it's a question of how much and how soon. Will the landing be hard or soft? So far, the signs are mixed.

GDP growth has moderated slowly in the past few quarters rather than falling off a cliff (though it's worth noting that Chinese economic figures, as released by the government, are a notorious black box). Yet in many parts of the economy, the bubble continues to expand. Local-government debt grew about 30% in 2010 from the previous year. In

the first six months of this year, Chinese investment in real estate was up 33% from the same period in 2010.

In order to understand the potential fallout from a China bubble, it's important to understand how the bubble began. The popular narrative is that China's rise from nowhere in 1978 to its position today has been fueled mainly by an inexpensive and massive labor force. That's part of it, but equally important have been low-cost capital and land. Most Chinese, who are huge savers, have little choice but to put their money in bank accounts that pay interest rates lower than inflation; in a country with a relatively undeveloped financial sector, there are few other options. These funds are then channeled into state-owned enterprises whose capital expenditures create the factories and skyscrapers on which the Chinese miracle has been built.

But the Chinese are pretty smart about money. They see the fortunes the elites have made by buying land at bargain prices and developing it. Ordinary individuals cannot get in on the ground floor to reap the obscene profits made by well-connected officials who broker—often by force—these purchases from the properties' historical owners, but they are permitted to invest in real estate at later stages of development. And so housing is where much of the wealth in the Middle Kingdom ends up. Anyone who's spent more than a day or two in China knows that real estate is a popular preoccupation. Apartment flipping is all the rage; real estate prices have tripled in the past five years.

The question is whether the bubble—not only in housing but in commercial property as well—is about to pop. Everywhere you go in China, you see new airports and high-speed-train lines under construction; glass-fronted apartment buildings whose empty units loom unilluminated in the night; underutilized roads, bridges and tunnels; and entire towns waiting for occupants. One such town, Kangbashi in Inner Mongolia, has everything a city needs, including investors who have bought apartments on spec. Yet it remains largely vacant.

Why does China keep building? Because building creates jobs and wealth for those who are associated with all that development. Right after Mao Zedong came to power in 1949, the party dedicated the country to a massive social-industrial complex under direct control of the government. Many of the early government-controlled institutions were dismantled in the post-1978 Deng Xiaoping era, and the focus for the past 30 years has been on production and exports fueled by state capital expenditure—something the party could control. Eventually, those investments created factories that churned out made-in-China goods, an infrastructure that supported the factories and a building boom that has culminated in a glut of high-rises all over the country.

The problem today is that this model, which has worked so well for over three decades, is showing signs of fatigue. Chinese factories are aging, and their counterparts across Asia are now poised to compete. Returns on investment have been declining. At the same time, wages are slowly rising, which is one reason manufacturing jobs are trickling back to the U.S., as the labor costs between the two countries narrow.

24%
Estimate of
China's contribution
to global economic
growth in 2011

7%
Annual economic
growth needed
to maintain social
stability in
China

**\$92
BILLION**
Value of U.S. goods
and services
sold to China
in 2010

The growth-at-all-costs model followed for the past three decades has exacted enormous costs on Chinese society. Yet despite undrinkable water and unbreatable air in many parts of the country, the party continues to enjoy widespread support; its p.r. machine emphasizes its efforts to redress China's humiliation at the hands of the West in the 19th and 20th centuries. Even intellectuals who gripe about personal-freedom and civil rights issues seem to do so through a filter of sincere patriotism. Unfortunately, the strains caused by hell-bent growth are starting to show up everywhere. Mass protests of party abuses—often the taking of land without just compensation—have been multiplying so steadily that the government, departing from past protocol, did not publish the number of them last year. At government facilities in many regions of the country, there have been explosions set off by citizens so disaffected that they didn't care about the consequences.

Beijing knows it's time to change strategy. The party's latest five-year plan shows that it wants to shift away from the old export-and-building-boom model to one that relies more on domestic demand for goods and services. But as China is finding out, this is easier said than done.

If the party's attempt to rein in the easy money flowing to state-owned enterprises results in a dramatic decline in property values, the outcome could be an earthquake in the Chinese financial system that would be felt in the U.S. In the past, loans made by state banks to big government-related businesses created a significant amount of bad debt that had to be written off. In 1998 and 2004–05, loans totaling about \$500 billion were classified as nonperforming, and state officials transferred them to special investment vehicles in an attempt to create the appearance of containing the problem. But because the state, which owns the biggest banks—and thus the people's savings—ultimately pays the price of any write-off, households bear the cost of the cleanup. Chinese banks are the original too-big-to-fail financial institutions.

There are rumors across the country that another big round of write-offs is imminent. The amount might be equal to or greater than the sum of the two previous write-offs. If Beijing is serious about moving its economy to a consumption model, imposing the cost of these bad loans on citizens again will be a serious impediment to its goal. Household income as a percentage of GDP has been declining in China for almost a decade, and it's hard to see what the people are going to use to buy stuff, even if wages rise, if they have to keep paying for bailouts and can't earn anything on their savings. It is one thing for the government to lower taxes on consumer goods, as it recently did, but unless it can reverse the decline in household income as a percentage of GDP, the people won't spend.

Another problem Beijing has in moving to a new growth model is local and provincial governments' addiction to revenue from land sales. According to the Ministry of Finance, land sales totaled \$500 billion in 2010, more than double the amount in the previous year. Because provincial officials are promoted on the basis of their GDP growth figures and because land sales are an important part of local revenue, it's difficult to curb the enthusiasm of local officials for project development.

Of course, nothing is ever a bubble until it bursts. Even an empty city is not a convincing warning to those who remember that it took Shanghai many years to build its now booming Pudong business district. Although some of those pristine new bridges, roads, tunnels and buildings may be underused today, they might prove to be just the catalyst needed to keep the economy driving forward when demand catches up, as the optimists vehemently argue.

But if the bubble pops, it will have serious consequences in America. The U.S. sold \$92 billion in goods and services to China last year. If China succeeds in moving away from its model of cheap land and cheap capital and makes a smooth transition to an economy based more on domestic demand, hallelujah. But if Chinese land prices plummet, there will be less demand for raw materials and a steep decline in world commodity markets and global trade in general.

That could very easily lead to even higher unemployment in the West. The U.S. economy is already in the strange position of having cash-rich companies that are not spending or hiring. Imagine how much less inclined they will be to spend and hire if they are frightened by a Chinese economic slowdown, especially given that so many of them have pinned their future growth prospects on China. And the U.S. government, already shedding jobs in the aftermath of the 2008 crisis, will be in no position to ride to the rescue.

Whatever GDP figures might suggest, senior Chinese officials, a number of whom I speak with regularly, are quite worried about a hard landing. Many observers say a sharp economic decline won't be permitted to happen before the next change of party leadership, in 2012. But the Chinese stock market was not supposed to be allowed to crash in the run-up to the 2008 Beijing Olympics, and it did.

As the Chinese Communist Party tries to engineer this delicate shift in the nation's economic model, the U.S. could do a lot to help. It could, for example, avoid starting contentious squabbles over things like trade and currency at a time when populist political sentiments in both countries are high. Rather than bash China, it could focus on encouraging the export of services and goods to the Middle Kingdom. (U.S. exports there have already grown 468% over the past decade.) It could also remember that China's transformation from a poor developing country into a richer one with a larger middle class has been tricky—both economically and politically. China is, as Deng would have put it, "crossing the river by feeling for stones." It's a process in which some scrapes are inevitable. The key will be avoiding a fall. ■

Miller is managing partner of Keylink Capital International and a member of the State Department's advisory committee on international economic policy.

180,000
Number of
incidents of social
unrest in China last
year, according
to Tsinghua
University

**\$500
BILLION**
Land sales in
2010—more than
double the total
in 2009

33%
Increase in
Chinese investment
in real estate this
year compared
with 2010

A Great Leap Forward Can China's famously thrifty workers become the world's big spenders?

By Bill Saporito

THE VOICES IN THE GARDEN Restaurant at the high-end Bulgari Hotel in Milan are what you'd expect: those of Italian businessmen and -women enjoying lunch and a cigarette on a pleasant afternoon. A few Americans mix in, relishing a European getaway—they're not strangers to Italy. But that would not necessarily be true of the table of Chinese visitors. Or the busload of Chinese tourists gathering in front of the famed La Scala to hear a guide explain the history of opera. Or the others exploring the magnificent cathedral Il Duomo. Perhaps they arrived on one of the three weekly flights Air China now runs from Shanghai to Milan. And more can be expected, since Asian airlines jammed the books of Boeing and Airbus with nearly \$20 billion of orders at the Paris Air Show in June.

China's tourists needn't leave the country for Western-style hospitality. In Sanya, along China's southern coast, Marriott recently opened a Ritz-Carlton resort. Both Marriott and Starwood are planting their myriad flags—from the Ritz-Carlton and St. Regis to the more modest Courtyard and Four Points—within China at a furious rate. At the same time, they are preparing to receive a wave of Chinese tourists, as many as 100 million per year by 2020, forecast to descend on popular destinations elsewhere around the world.

They will be tourists like Zhao Lin, a 34-year-old Google manager from Beijing, who says she loves Italy "because of the abundance of culture and history." And because of Prada, Gucci, Ferragamo and Fendi too. Zhao has made the haul of luxury goods that are requisite for rising Chinese women in the big cities. She and her husband, a technology manager, also own cars—hers is a Volkswagen Passat. To retailers, people like Zhao are becoming increasingly important, says Ellen Jin, head of consumer markets for the consultancy



Cobbled together Showing off his shoe collection in his Beijing apartment, Richard Lu, who works at a p.r. agency, says he likes to shop abroad with his mother

KPMG China. "There are more young Chinese people, including women, running their own business or getting to executive management levels, and they have more disposable income," she says. "They see luxury goods as their just deserts. They want to reward themselves."

The world's largest multinational companies, many of them headquartered in the U.S., have been betting on the rise of the Chinese consumer for many years now. But as the economies in the U.S. and Europe have struggled to revive in the past few years, firms in nearly every sector, from automobiles to consumer goods to telecommunications, have placed a larger share of their chips on the Middle Kingdom. It is simply a matter of numbers: China's economy grew 9.1% in the last quarter, compared with less than 2% in most of the West. While incomes in the West are stagnant, individual Chinese are expected to get a lot richer.

Consider the cosmic irony: wobbly Western economies are depending on the Chinese Communist Party to save their capitalist bacon. Likewise, the Chinese government's grand scheme to rebalance its economy hinges on Western-style materialism. By substantially boosting wages, it wants to create a new generation of spenders, including not just urban sophisticates like Zhao but a much broader swath of China's 1.3 billion people. "Sho till you drop" is probably not what Mao had in mind during the Long March. Nevertheless, wage and spending growth is one way to bridge the still vast gap between China's poorest workers and its advancing middle class—which will comprise 70% of China's population by 2020. If successful, the shift to consumer spending will take a good chunk of the weight of the global economy off the shoulders of American consumers and make China a gotta-be-there market for everything

from video games to surgical tools to potato chips. "This generation, these strivers, they will be the saviors of the global economy," says Tim Minges, chairman of the greater-China region for PepsiCo, which is pouring billions into China in anticipation of that growth. "I really do think the Chinese middle class will be like the U.S. baby boomers."

The role reversal has another component: companies such as Pepsi, Volkswagen and Motorola, whose products were once Made in China, are increasingly developing products Made for China. So while Chinese fashionistas crave imported shoes from Italy's Ferragamo, that company's compatriot rival Geox is rapidly expanding by manufacturing and selling in China for the broader market. So is Sony, whose made-in-Japan products Chinese once longed for; now there's a line of China-made pink gadgets because many women like that color. HP recently opened a factory in Chongqing to build computers not for export to the West but for sale to China's west. Starwood Hotels, which runs the St. Regis, Sheraton, W and other brands, moved its entire management team and board to Shanghai for a month; CEO Frits Van Paaschen wanted to be a bit closer to where future customers are. Starwood has 84 hotels in China—and 100 under development. A recent announcement by Gap says it all: the famous American jeans company is closing 20% of its American stores and tripling the number in China.

The investments companies are making are big, deep and long term. PepsiCo, maker of Pepsi, Lay's potato chips and Quaker Oats, is building a massive R&D center in Shanghai that will include pilot plants for each product area, so food scientists can quickly test new offerings created for Asia, including regional varieties, and get them to market within months. Swiss pharmaceutical giant Novartis is spending \$1 billion on a six-building campus in Shanghai that will become a third global R&D center. This is not for outsourcing or a cheaper place to run drug trials. "It's going to be one of our primary research sites," says Novartis CEO Joe Jimenez; it will join centers in Cambridge, Mass., and Basel, Switzerland. That's because the Middle Kingdom is a growth market for important drugs. For example, a richer diet among a growing middle class means more diabetes—and more insulin sales.

The key question is, How big can the

middle class grow? If there are two Americas, there are about four different Chinas, from millionaires to the desperately poor. In the coastal cities, the average annual income can be \$5,000 or more, but in the rural areas, it drops to a few hundred dollars a year. China has a huge wealth divide—its Gini coefficient, the measure of how much inequality there is in a society, is one of the largest and fastest-growing in the world. That divide has created increasing political risk in China. Many notable investors, like hedge fund manager Jim Chanos, see China as one enormous bubble, ready to explode. According to him, all the speculative capital in the country makes it look like "Dubai times 1,000."

**'This generation ...
will be the saviors of
the global economy ...
The Chinese middle
class will be like the
U.S. baby boomers.'**

—TIM MINGES, CHAIRMAN,
PEPSICO GREATER-CHINA REGION





Conspicuous Consumption

Liu Dandan, 27, left, and her husband Zhou Zhou, 32, an editor at Esquire magazine's Chinese outpost, at home in Beijing, own a Mercedes-Benz and fill their closets with branded luxury items. They even dress their 6-month-old baby in designer duds

But if the Communist Party can successfully navigate the risky rebalancing road laid out in its new five-year plan, 500 million nonfarm workers will soon get what American workers haven't had in a decade: a raise. A really big one. The government is targeting minimum-wage increases of 13% to 15% over the next five years, essentially doubling the income of many citizens.

And the government expects the world's largest workforce to spend it. When economic reforms began in China in the early 1980s, consumer spending was more than 50% of GDP. By 2009, consumer spending had dropped to 36% of GDP even though wages were rising.

That's because the government was doing even more spending itself, pouring cash into export industries and expanding the infrastructure to move people and products around a vast geography.

All that investment sowed the seeds for what Western companies hope will be the greatest generation of spenders ever known—the group of Chinese known as the Post-'80s Generation. Now in their 20s and 30s, they came of age as China shifted from a command economy to a more market-focused one, open to Western products and lifestyles. These younger Chinese have known nothing but non-stop growth, and they are much less likely to save than their more hardscrabble

parents and grandparents, who typically put away 35% to 40% of what they earned. "They don't deposit that much money," says Victor Yuan, chairman of the Beijing-based Horizon Research Consultancy Group. "Their bank-savings rate is much lower, and it is much easier for them to spend money."

Can they really spend enough to bail out the global economy? U.S. consumer spending is about 70% of the nation's \$15 trillion GDP, which is what helped get America into trouble. As for China, the numbers behind any big shift toward consumerism there are potentially world altering. China's 2011 GDP is roughly \$6 trillion. If consumer

spending goes up from the current 36% to reach 45% of GDP—the government's stated goal—\$540 billion in spending would flow into consumer goods and services. That amount of spending would be enough to lift the U.S.'s GDP by 3.6%, which is a boom. And that doesn't even factor in China's economic growth. If the economy expands 9% annually, as it has in recent years, and half that growth goes toward consumer spending, you quickly get to \$500 billion in additional spending in two years, using current numbers as a guide. That's the most bullish scenario, to be sure. But if you are a global corporation, you definitely don't want to miss out on a piece of that potential stimulus package.

The Reverse Marco Polo

YOU CAN ALMOST SEE THE MATH FLOATING above the head of Symon Bridle, chief operating officer of the Hong Kong-based luxury hotel company New World Hospitality, as he ponders the possibilities for the travel industry in China: "It's a country that now has 1.6 million hotel beds. In the U.S. there are 4.8 million. Extrapolate that. There's a huge opportunity for hotels that's being driven by domestic growth." Boston Consulting Group estimates there are 1 million millionaire households in China. When those folks start hitting the road, Bridle wants to be ready, and so New World recently spent \$230 million to acquire Rosewood Hotels & Resorts, to lure travelers like Liu Yining, 32, a senior manager at Groupon China. She spends at least two weeks a year on leisure travel in addition to taking business trips. "I like to go anywhere I haven't been," she notes. That list is getting shorter. She's been to most European countries, the U.S., South Korea and Southeast Asia and planned to visit Japan for the first time in October.

The exodus is already under way. There are an estimated 54 million outbound trips from China, a number that has quadrupled in the past 10 years. By the end of the decade, the figure could easily reach 100 million. Already, tourism officials in Paris are trying to puzzle out how to make the numbers work. "We estimate that by 2025, around 2 million Chinese will visit Paris," says Paul Roll, the city's head of tourism. That's more than triple the current number. That could be a problem in a city with 76,600 hotel rooms, even with top Asian chains like Raffles, Mandarin Oriental and

Shangri-La bolstering their room counts in the City of Light. That's why city planners are creating more Paris by replicating famous Parisian neighborhoods in areas just north of the city.

Of course, the Chinese are traveling and spending more in their own country too, in part because of a gigantic infrastructure build-out; China will have constructed more high-speed-rail capacity by the end of the decade than is currently operating in the rest of the world, some 10,000 miles' (16,000 km) worth. The high-speed trains cut travel time from Wuhan, in central China, to Guangzhou, on the coast, from 14 hours to 3½ hours. New airports are being built at a rapid clip, creating travel opportunities that once were unheard of. Tibet Airlines, a new company flying out of Lhasa, is operating the first of its three new Airbus A319s.

KFC in China offers a breakfast of congee and a teatime menu the Colonel wouldn't recognize

Much of the new infrastructure links the already rich coastal areas to fast-growing second-, third- and fourth-tier cities in the west—where domestic spending is often most fevered. (While Shanghai and Beijing puppies can buy the latest luxury goods on trips to Paris, nouveaux riches in Chongqing can't wait to hit the newly built LVMH boutique at home.)

That creates all sorts of new opportunities, from retail to bus tours to ultra-luxury resorts catering to rich Chinese in entirely new places like Sanya, where Ritz-Carlton has set up shop. This all speaks to the fact that companies that want to sell to the Chinese have more competition—and they have to work a lot harder than they did in the past. Both Marriott and Starwood are rolling out programs in non-China hotels that provide a special service tier for Chinese travelers, including Chinese-language services and food and beverage offerings. Starwood boss van Paasschen allows that the entire company, as well as its franchisees, may ultimately have to bend more to the will of Chinese travelers.

The New Tastemakers

SAM SU, THE CEO OF YUM! BRANDS CHINA, sees a country whose consumer demands are already changing his company. Yum!, the U.S.-based multinational that owns Pizza Hut, Taco Bell and KFC, has been in China a long time; it opened its first KFC there in 1987. It has 3,200 outlets in China, opening one a day in places like Tianshui, a city of 1.2 million that's 1,000 miles (1,600 km) from the coast. KFC is in every province in China except Tibet and has restaurants in more than 700 cities. "You can say we go in much deeper than even the second-, third- or fourth-tier cities," says Su. You can also say KFC has parted ways with its American cousins. "We can't just take the U.S. model and put it in China. We have a very good business model right now. It's more mainstream." There, KFC isn't a chicken joint; China's consumers want it to be an everyday place. That means, for instance, a breakfast of traditional Chinese foods like congee (a rice porridge) and a teatime menu the Colonel wouldn't recognize.

As China's consumers grow more experienced, their relationship with brands is also changing. PepsiCo's initial focus in its first decades in China was simply to get enough people to try its American soda, Lay's chips and Quaker Oats products. Now the products have to deliver taste and value to a more sophisticated customer—hence the R&D center that can quickly pivot with products geared to hyperlocal tastes. "No doubt there's been a significant shift in Chinese consumerism. When I first got here, it was all about the brand, the badge value of a brand. Being foreign was aspirational," says Mingge. As brands became more familiar and Pepsi got deeper into the country, the focus moved away from the ego value of brands to more traditional values around taste and usage.

And so the company has had to develop flavors that match China's food culture. About 35% to 40% of the flavors that Pepsi now uses in its Lay's brand of chips are local. Noticing that chip sales slipped in the summer, the company created a range of flavors to match cool foods the Chinese prefer in that season: a cucumber flavor, for instance, was added. Since China has a number of regions, like Hunan and Szechuan, where spicy food is preferred, the company added a hot-and-sour-fish chip, which mimics the flavor of a popular soup; for the hotheads in Szechuan, it



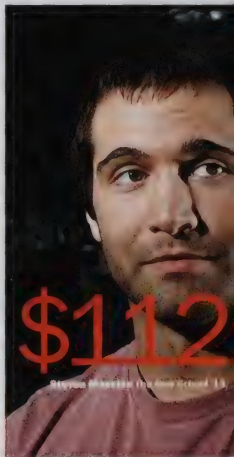
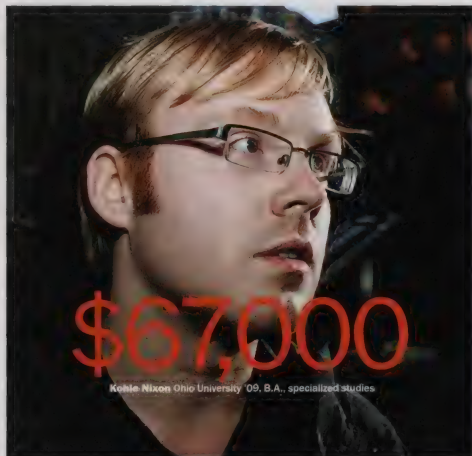
Flying High

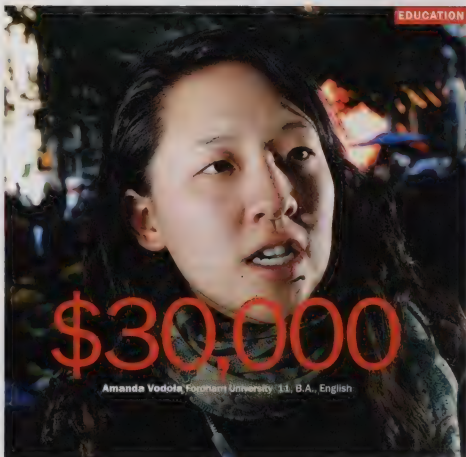
Mega Meng Meng, 20, an artist and fan of avant-garde fashion, posing in Beijing's new air terminal, spends summers shopping in Europe

came up with the ultimate "numb and spicy" chip. Meanwhile, Quaker Oats, faced with the task of introducing an oat cereal to a rice culture, instead devised a product to be blended with the congee that Chinese typically eat for breakfast. It includes red dates, wolfberries and white fungus—ingredients that consumers consider to have medicinal properties.

For firms like Novartis, the government's promise to deliver better health care will be a boon for business. Its generics division can manufacture low-cost flu vaccines that poorer areas of the country need, the growing middle class will have access to medications that it didn't in the past, and a world-class R&D center in Shanghai—staffed largely by U.S.-educated Chinese scientists (who work for about 60% of what they would earn in Europe or the U.S.)—can develop therapies for diseases that are prevalent in the population. In Shanghai the company is tripling the number of its scientists, to 600, to deal with diseases that wealth brings. As the Chinese become more sedentary, eat more meat and sugar and continue to smoke in great numbers, their disease profile changes. There are more than 92 million Chinese diabetics, for instance; other diseases, like liver cancer, show up in greater numbers now too. The company is even helping China's food-and-drug administration improve drug safety. "Between vaccines and innovative pharmaceuticals, we are uniquely positioned to go to the government with a broad range of offers," says CEO Jimenez.

Even in something as esoteric as architecture, China's pull is too enormous to resist. German-born Ole Scheeren helped design the snazzy, D-shaped CCTV building in Beijing as a partner in starchitect Rem Koolhaas' firm. Buildings like this have helped China make impressive statements to the outside world. But unlike most of the Westerners involved, Scheeren stayed. He quit Koolhaas' firm to start his own and is now working with Chinese city planners. One current commission is a massive mixed-use development in Chongqing that Scheeren says won't look like every other mixed-use project from Dubai to Kuala Lumpur. "I'm not going to design from the West for China," says Scheeren. "I'm going to design from China for China." If Scheeren gets it right, he will never run out of projects, because China won't. —WITH REPORTING BY AUSTIN RAMZY/BEIJING ■





I Owe

U

Student debt is on track to top \$1 trillion this year. What happens when diplomas stop opening doors?

BY KRISTINA DELL

LIKE MANY OF THE PROTESTERS at Occupy Wall Street in New York City, Amanda Vodola is young, underemployed and loaded with student debt. She spends her days running around, helping organize the movement, and her evenings bussing tables at a dine-in movie theater in Brooklyn. Last spring, Vodola, 22, graduated from Fordham University with a degree in English. "I grew up with this narrative that to get a good job I need to go to school," she says. But the job she has "is not enough to pay the bills." And the bills she's dreading most are the ones tied to that narrative: the \$30,000 she owes in college loans.

In November, when their six-month grace period runs out, Vodola and millions of other students who graduated in May have to start repaying their loans. Repayment requirements for private loans kick in regardless of whether borrowers have found jobs. Since employment rates for recent college grads have plummeted in the past two years, as have starting salaries, the possibility of a sharp rise in student-loan delinquencies has led some analysts to predict that this could be the next subprime-mortgage crisis, rippling into the wider economy. Total U.S. student-loan debt, which exceeded credit-card debt for the first time last year, is on track to hit \$1 trillion this year.

The members of the class of 2011 have a frightening footnote on their diplomas: Most Indebted Class Ever—and this year's seniors are on track to surpass them. Average student-loan debt for new graduates has reached \$27,300, according to Mark Kantrowitz, publisher of FinAid.org and FastWeb.com, sites that help students plan and pay for college. Add the loans parents took out for their children's education, which students frequently pay back themselves, and the number rises to \$34,400. That's a nearly 8% increase over last year and a 36% hike (adjusted for inflation) from 10 years ago. And with student loans, unlike real estate or business debts, you can't walk away through bankruptcy as General Motors did.

But neither these statistics nor the voices of students, crushed by debt, at protests in cities and on campuses throughout the nation are likely to keep the families of high school seniors from seeing a brand-name

education as a ticket to a better life. They've long been told that higher education, much like buying a house, is an investment in the future—even as the cost of college has soared 538% over the past 30 years. That's more than four times the growth of consumer prices and almost twice the increase in health care costs. Meanwhile, says Lawrence Mishel, president of the nonpartisan Economic Policy Institute, "the wages of those with a college degree have been roughly flat for 10 years, and it's not really improving relative to those with less education." In other words, all those tuition hikes aren't necessarily leading graduates to better paychecks. That letdown, coupled with rising debt loads, could stunt economic growth in the long term if today's grads end up being too poor to start a business or buy a house or send their own children to university.

What's Your Major?

TWO YEARS AGO, PRESIDENT OBAMA CHALLENGED Americans to increase the number of college graduates from 40% of young working adults (ages 25 to 34) to 60% by 2020, which would be the highest proportion in the world. The goal is to help the U.S. compete globally. The problem is that the country doesn't have jobs for all its recent college grads—many of whom are now back home living with Mom and Dad—let alone the additional 5.5 million bachelor's-degree holders that Obama's plan calls for. There's also the problem of what those graduates studied. The U.S. isn't producing enough science and math majors, so high-paying positions in related fields are going either unfilled or to foreign applicants. A liberal-arts education, the pride of the American undergraduate system, increasingly looks like a road to financial distress.

Although the U.S. Bureau of Labor Statistics doesn't parse its data by graduating class, it does show that the unemployment rate for 16- to 24-year-olds with a B.A. or higher who are no longer enrolled in school was a whopping 13.2% in July—the

highest to date for this cohort and almost double the rate from five years ago, before the Great Recession hit.

A faster growing economy could absorb more of those graduates, but the fear is that too many students are spending too much on degrees that may never generate the expected return on investment. A Harvard diploma is still going to open doors. But what about a degree from a less well endowed school, like Bates or Sarah Lawrence, that doesn't offer the generous grants the elite ones do? "These colleges are expensive," Kantrowitz says, "and that's where you hear kids going \$100,000 in debt to graduate with religious studies or theater majors."

Some students' debt burdens are so big, you wonder what bank would approve the loans or what parent would be willing to cosign them. Lyndsey P. (who did not want TIME to include her full name) amassed an astounding \$169,934 in debt while studying documentary filmmaking at New York University. Like many teenagers, she was so excited about getting into a top-tier school that the cost didn't keep her from enrolling. "You can't imagine the emotional darkness that descended when I started to understand the full extent of the debt situation I was going to be in," says Lyndsey, who graduated from NYU with honors in 2007.

To keep up with her \$1,260 monthly payments, she spent the past two years working 9 a.m. to 5 p.m. as a lab technician and then rushing home to do phone support for a software company from 7 p.m. to 10:30 p.m. She got so burned out from the long hours that she quit the lab job this fall and doesn't know how she's going to fulfill the loan terms, which require her over the next 26 years to pay a total of \$350,000, including accrued interest. "It feels absolutely hopeless. I don't know what I will do in the future if I want to get married or have kids," she says. "It's a huge burden to bring to a relationship. I am basically coming with a house on my back that we can't live in."

It's these costs, both personal and societal, that worry economists. More than two-thirds of all college students borrow to pay for school, and 10% to 20% borrow excessively, which is defined as having monthly loan payments that exceed 10% of a person's gross income. According to a study published in March by the Institute for Higher Education Policy, 41% of borrowers who began repayment in 2005 became delinquent or defaulted within five years. Repayments—and the often severe penalties that accumulate if borrowers fall behind—kick in regardless of whether students leave school with a degree, which

Some students' debt burdens are so big, you wonder what bank would approve the loans or what parent would be willing to cosign them

Education still pays

On the whole, college improves job prospects

2010 unemployment rates (25 and older)

14.9%

LESS THAN HIGH SCHOOL GRAD

10.3%

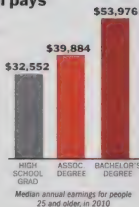
HIGH SCHOOL GRAD

7.0%

ASSOCIATE'S DEGREE

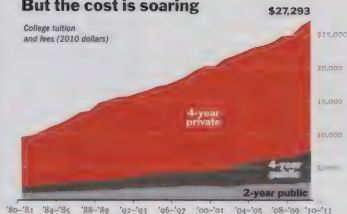
4.7%

BACHELOR'S DEGREE



But the cost is soaring

College tuition and fees (2010 dollars)

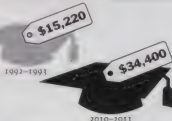


Recent grads face a lean job market and heavy debt

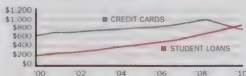


41% of borrowers who entered repayment in 2005 became delinquent or defaulted within five years

Average total parent and student debt for new grads (2011 dollars)



Total debt outstanding (in billions)



Unemployment rates (college grads 16-24)



Sources: College Board; Bureau of Labor Statistics; Institute for Higher Education Policy; Mark Kantrowitz

points to another big problem: the connection between college dropouts and crippling debt. Barely half the students who start college get a degree within six years, and graduation rates at less selective colleges often hover at 25% or less.

More Toxic than Mortgages

IT'S NEARLY IMPOSSIBLE TO DISCHARGE federal or private student-loan debt in bankruptcy, unless you meet the incredibly harsh "undue hardship" standard. In 2008, for example, only 0.04% of student-loan recipients who filed for bankruptcy succeeded in getting their college loans dismissed. Meanwhile, the government can garnish up to 15% of your take-home pay, dock your disability benefits and even deny you a security clearance, all in the name of student-loan payback. Defaulting will torpedo your credit rating to the point where for years to come you'll have a tough time getting a credit card, let alone a car or home loan. "Student debt is more toxic than mortgages,"

says Mark C. Taylor, a religion professor at Columbia University and the author of the higher-education critique *Crisis on Campus*, "because you can't walk away from it."

Given the dire consequences of defaulting, the government recently created an income-based repayment plan for federal-student-loan borrowers whose debt at graduation exceeds their starting salary. Monthly payments will be lower than they would be under the standard 10-year repayment plan, and although users may end up paying more interest over the life of their loans, anything still owed after 25 years will be written off. Another new program forgives federal loans for borrowers who spend 10 years working full time in public service.

But these options apply only to federal loans. To try to help people like Lyndsey who took out massive private loans, Fordham law-school grad Robert Applebaum started ForgiveStudentLoanDebt.com, which champions erasing student debt to stimulate the economy. (This is not an

unheard-of strategy even on a national scale. Bono has been promoting the same idea for sub-Saharan African countries for years.) Applebaum has already secured the more than 25,000 signatures needed to deliver his petition to the President through the White House's We the People program. He has also amassed many followers on Facebook and at least one fan in the House of Representatives. This summer Michigan Democrat Hansen Clarke introduced a bill that includes a provision about forgiving student loans.

Getting the latter provision passed is a long shot, which helps explain why many higher-education advocates are encouraging the next generation of students to borrow less money in the first place. To help prospective applicants compare the costs of attending different schools, all colleges as of Oct. 29 must include a net-price calculator on their websites. The calculator asks families for detailed financial information and then provides customized estimates of what

they will likely pay out of pocket. Industry experts are also focusing on improving the information applicants receive once they are accepted. Kantrowitz testified before a congressional advisory committee that in an online survey last year of some 580,000 students and parents, 61% of respondents said the financial-aid award letters they received did not include basic information about loan terms like interest rates or monthly payments. Some didn't even use the word *loan*, referring instead to a "subsidized Stafford," which families might confuse with a grant. (It's actually a loan whose interest is paid by the federal government while the student is in school.) Hence the Department of Education's current push to standardize financial-aid award letters so people won't get lulled into overborrowing.

At the same time, more financial-aid offices are trying to help families maximize their use of federal loans, which have fixed interest rates, unlike private loans, which can have uncapped, variable rates that often go up after the first year. Lenders reel in families by advertising low rates, but usually only people with stellar credit qualify. Private loans—which make up 20% of outstanding education loans—also lack certain consumer protections, like the ability to write off the balance if the borrower dies. In 2006, Alison Rabil, then director of financial aid at Barnard College, started a policy of contacting families whenever she received requests from lenders to certify private loans. After one year of explaining why federal loans were the better option, Barnard saw the school's private-student-loan volume drop from \$1.6 million in 2005–06 to \$400,000 in 2006–07. Many other schools both big and small have since adopted similar procedures. Last year San Diego State started requiring students to go through an online counseling process before it would certify private loans.

Nina Marks, president of Collegiate Directions, a nonprofit that provides college counseling for low-income students, recommends that families drill deeper and ask financial-aid officers such questions as,

In 2008, only 0.04% of student-loan recipients who filed for bankruptcy succeeded in getting their college loans dismissed



\$90,000

"Everyone at my high school was super impressed when I got into Tulane, and I thought it would open doors."

—Jeri Leigh McDowell, Tulane '09, anthropology and history

If a college's cost of attendance increases each year, will financial aid go up too? What percentage of students graduate in four years? A fifth or sixth year could significantly increase debt load.

Early Decisions

SOME HIGH SCHOOL GUIDANCE COUNSELORS encourage students to start at a more affordable state school or community college and then transfer to a more impressive (read: higher priced) institution to get their diploma. Other counselors suggest smaller ways to skip. "You can lower the price of the second year by adjusting the meal plan," says John Boshoven, a counselor at Community High School in Ann Arbor, Mich. "A lot of kids don't eat breakfast or can save money by eating cereal in their rooms."

Every little bit helps. But it's the bigger issues of which school students should attend and what they should major in that are much more difficult to address. Nanette DiLauro, who succeeded Rabil as Barnard's director of financial aid, recalls one student who wanted to go to Barnard—where the sticker price, including fees and housing, is \$55,566 per year—so much that she begged the school to certify her private loans. The student, whose parents weren't willing to contribute, would have had to borrow \$140,000. "That was a crazy amount," says DiLauro, who gave counsel with a candor that is perhaps all too rare. "I advised the daughter not to do it." The student ultimately chose to go somewhere else.

It's hard to tell teenagers to pass up their dream school and harder still to get them to make a serious effort to map out their future. Bob Giannino-Racine, CEO of ACCESS, a Massachusetts-based nonprofit that gives free financial-aid advice to students, counsels high schoolers to think about the long term. "If you have \$50,000 or more in debt from undergrad, you will have a hard time paying for graduate school," he says. That might be helpful for aspiring bankers and lawyers to know. But what about the kids who can't see that far down the road?

Kantrowitz advises setting an undergraduate debt ceiling of \$45,000 as a safe burden for someone who plans to earn a degree in engineering, computer science or business. He suggests lowering that cap to \$35,000 for a student likely to choose a liberal arts major. But he and other experts warn that the lesson is not to forgo college. It's. Don't go overboard. College grads still have roughly half the unemployment rate of those without degrees, and their median earnings are about \$21,900 more per year, which translates into almost \$1 million more over a lifetime.

Students also need to make smarter choices. Too many are committing to expensive schools or completing lengthier programs than they need to. Bill Symonds, director of the Harvard-based Pathways to Prosperity Project, worries that many policy advisers are fanning the college-for-all flames when vocational training or a two-year associate's degree would be a better fit. "If you go to a four-year college and get a degree and can't use it in the labor market, you're not getting much of a return on that investment," he says.

It's advice current debt holders wish they had heard earlier. Jeri Leigh McDowell graduated third in her high school class in 2006 and passed up a free ride to the University of Texas to accept a spot at New Orleans' more illustrious Tulane University, which offered her a \$22,000 scholarship. How she would come up with the rest of the \$53,000-a-year tab for tuition and living expenses was a problem for another day. The anthropology and history major skated through Tulane in 3½ years, but she now struggles to pay back the \$90,000 she owes.

The teaching job she thought she had found last October never materialized. Today McDowell lives with her mother in Burleson, Texas, while dodging calls from a collection agency. She works a \$9.50-an-hour job at a hotel. "I wish to God I had gone to the state school," she says. "Everyone at my high school was super impressed when I got into Tulane, and I thought it would open doors. I was an idiot."



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Little Women

More girls are starting puberty at 8. What are the causes—and risks?

BY JEFFREY KLUGER

YEARS LATER, DOCTORS STILL TALK ABOUT the strange case of the cows that made the children grow up too fast. The children were all girls living in or around Michigan, and all of them were born sometime after 1973. The cows were just cows—but ones that had been given very nasty feed.

Through a manufacturing error that was never quite explained, factory workers inadvertently mixed a fire retardant containing polybrominated biphenyls (PBBs) instead of a nutritional additive into animal feed. Before long, cows around the state were giving birth to stillborn calves and milk production was plummeting—but not before thousands of area residents had consumed beef or dairy products spiked with PBBs. In 2000, researchers sponsored by the National Institutes of Health caught up with daughters of women who had been pregnant or of childbearing age when they became contaminated with the toxin. They asked the daughters just one question: At what age did you begin menstruating? The answer: on

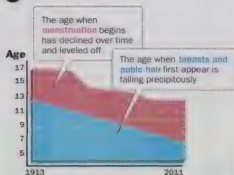
Photographs by Carol Taveras for TIME



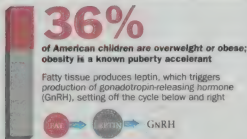
The Trend Lines Spell Trouble

Age, race and era can all affect puberty

1 WHAT'S CHANGED



Percentage of 8-year-old girls with breast development

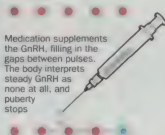


2 THE BIOLOGY OF PUBERTY

Puberty begins when the hypothalamus releases GnRH, signaling the pituitary to produce luteinizing and follicle-stimulating hormones (LH and FSH), which signal the ovaries to produce estrogen

3 HOW TREATMENTS WORK

The hypothalamus releases GnRH in pulses



Sources: Marshall and Tanner; PROS, NHANES III, and BIR0 et al

average, 11.6 years old—or more than a year earlier than other girls in the area.

PBBs are known as endocrine disruptors: toxic chemicals that get inside the body and turn its hormonal systems upside down. The daughters had all likely been exposed to them either in utero or through breast milk, and the result had been a fast-forwarding of the puberty cycle, which is hard enough to manage without rushing things. The Michigan-area girls are hardly the only ones who have experienced such problems—and PBBs are hardly the only reason.

Modern parents often lament that their kids grow up too fast, but in the past generation that's been true in a whole new way, particularly for girls. It's not just the MTV airs and the world-weary mien and the too sexy outfits that kids display as a sort of rite of social passage. It's undeniable physical changes as well. Preteen girls who have not yet outgrown their Bratz and American Girl dolls are being fitted for their first bras, scrubbing away at acne, even going to school with pads in their backpacks to deal with periods that are increasingly starting in fourth grade or earlier.

This takes a toll in many ways. Bodies that grow up too fast can break down too easily. There are cancer risks that come from too much hormone dosing and skeletal problems that occur when bone growth outraces the cal-

endar. When presexual minds find themselves in newly sexualized bodies, there is emotional damage that can be done as well—unwanted attention from boys or even men. Beyond sexual pressure, there's a simple discordance when kids look older than they feel. "I recently treated a 6-year-old who was already developing breasts and pubic hair," says Dr. Michelle Klein, a pediatric endocrinologist at Mount Sinai Medical Center and Uptown Pediatrics in New York City. "She would get into a bathing suit at camp, and the other kids would tease her. She was already a good deal taller than her peers, and adults would talk to her as if she was older and more mature—and expect more mature behavior out of her too."

The question a growing number of parents and doctors are asking now is, How did we upset the biological balance so badly—and what can we do to set things right again?

Precocious Puberty

IT'S DIFFICULT TO ESTABLISH A HISTORICAL NORM FOR the average age of menarche (a girl's first menstruation), since so much depends on general health and nutrition, social class and other external factors. When the average human life span was 40 or less, menarche, of necessity, came early. Longer-lived people had the evolutionary luxury of starting later. Malnutrition could delay men-

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struation too, while ample food supplies produced populations in which women were strong enough to carry babies earlier. Nutrition is one thing that pushed the average age of first menstruation down to about 13 by the middle of the 20th century—in the developed world, at least—and there it stayed for a few decades.

24%

Percentage by which age of onset of menstruation declined from the mid-18th century to the mid-19th century in the industrial world, according to some studies

But by the 1980s, the onset of puberty, if not actual menstruation, had gone into free fall—a change so sudden and pronounced that something more than normal evolution must have been at work. In a landmark 1997 study of 17,000 girls, Marcia Herman-Giddens, a professor of public health at the University of North Carolina, reported that more than 10% of white girls and an astonishing 37.8% of black girls were showing early breast development by age 8. A smaller but still alarming share of girls—5% of whites and 15% of blacks—had breasts budding at age 7. Later studies, one in 1998 and another in 2010, included Hispanics and produced similar results. On average, 2 out of every 10 white girls, 3 out of 10 Latinas and 4 out of 10 black girls are showing breast development by age 8. Such baby teens have become so common that in the U.S., puberty is not even diagnosed as clinically premature unless it occurs before a girl's eighth birthday.

212

Number of industrial chemicals found in the blood of the average American, according to the Centers for Disease Control

For boys, the numbers are less certain, for several reasons. There is no clear external marker like breast size to go by, and the closest biological analogy to first menstruation—first ejaculation—is rarely viewed as a cause for worry. The only real measure of the onset of puberty is growth in genital size, particularly the testes, but the kids themselves may not even notice, and the exam needed to confirm a change is not a pleasant one.

Even in cases in which careful, peer-reviewed studies have been conducted, the results, Herman-Giddens says, "have been all over the place." All the same, the problem is common enough, at least anecdotally, that for boys too the clinical threshold for precocious puberty is unsettlingly young: just 9 years old.

What's Speeding Things Up?

FOR A PHENOMENON THAT CAUSES SUCH PROFOUND physical changes, the onset of puberty plays out in a relatively simple way. At a precise moment determined

Causes of Early-Onset Puberty

Some are obvious, some less so



OBESITY

Fatty tissue produces hormones that speed up puberty



DIET

Meat and dairy products contain hormones that speed up puberty



INDUSTRIAL CHEMICALS

Chemicals in the environment speed up puberty



OTHER

Genetics and other factors speed up puberty

by, well, no one knows just what, the hypothalamus, a small structure deep inside the brain, begins producing what's known as a gonadotropin-releasing hormone (GnRH), which signals the pituitary gland to churn out two other substances—a luteinizing hormone and a follicle-stimulating hormone—and dump them into the bloodstream. Those chemicals then instruct the ovaries and testes to begin producing estrogen and testosterone, and the bodily transformation begins.

There is no shortage of theories about what's causing this to happen so early. Obesity, a well-established puberty accelerator, is high on the list of suspects. A third of all American kids are overweight or obese, and in the 6-to-11 age group, the rate of obesity went from 7% in 1980 to 20% in 2008. Weight may also help explain the racial differences in puberty studies. Income disparity generally means dietary disparity, with richer people in the West eating leaner, healthier foods. Data from China and India similarly indicate that race by itself isn't a factor but general prosperity is. Onset of puberty is on a downward march in those countries too, likely because of their increasing wealth and heartier—often fattier—diets.

But even in Europe, where the standard of living has been high for decades and diets haven't changed much, something strange is going on. A study of girls conducted in Denmark in 2008 found that the average age of breast development there is 8.86 years, which may be a bit later than it is for American girls but is a full year earlier than it was for Danes as recently as 1993. "For me," says Dr. Paul Kaplowitz, chief of endocrinology at Children's National Medical Center in Washington, "the aha moment was the Danish study."

If it's not just diet, what else could be causing this change? Some investigators are focusing on environmental contaminants like PBBs and, more notoriously, bisphenol A (BPA) and phthalates, common ingredients in plastic products that have endocrine-disrupting powers of their own. Hormones used to fatten cattle and poultry may play a role as well. But so may seemingly innocent foods like soy, which includes isoflavones that mimic the behavior of estrogen. Certain components in lavender

Early puberty can cause bone age to race ahead of calendar age, causing growth plates to close and kids to wind up shorter than they should have been



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HEALTH SPECIAL



and tea-tree oils may also have estrogenic properties, as do estrogen and testosterone creams, which may be prescribed to parents but wind up in the hands of kids. Even TV and the Internet may play a role, since they foster inactivity, which exacerbates obesity.

In a few cases, the answer is straightforward. Cysts on the pituitary or ovaries can cause premature release of hormones. A condition known as McCune-Albright syndrome, caused by a mutation in a gene that signals endocrine cells, can lead to a suite of symptoms including precocious puberty. An enzyme malfunction that causes overproduction of androgens by the adrenal glands can also result in precocious puberty in boys.

As serious as conditions like these can be, they're diagnostically satisfying—if only because doctors and patients know what they're up against and how to treat it. But such clarity is rare. At a maximum, only about 20% of cases of early-onset puberty have a readily identifiable clinical cause—and even that applies mostly to the youngest patients. One French study showed that in girls whose precocious puberty began after age 6, just 2% had some kind of anomaly that was visible on a brain scan.

A much bigger factor is simple genetics. If Mom was an early bloomer, her daughters have a significant chance of following the same developmental arc. "We definitely see this running in families," says Klein. "One study put the prevalence of inheritance of precocious puberty at 27.5%. Daughters will come in for treatment, and mothers will report that they too had their first period at 9 or 10." In these cases too, there is at least

a certain rationality and predictability. Much more vexing are the other cases—which happen to be the overwhelming majority—in which the cause is what's known as idiopathic. That, distressingly, is doctor speak for "Beats me."

It's in these situations that the first place most investigators look is weight—and with good reason. Fat is not a passive player in the body's metabolism. Adipose tissue produces a hormone known as leptin, which, in addition to helping regulate metabolism, appetite and energy expenditure, can stimulate the release of GnRH by the hypothalamus. This, at some levels, may be how evolution intended things, at least in girls. Successful childbearing requires an adequate amount of body fat—which is one reason anorexic and significantly underweight girls either do not begin menstruating or stop if they've already started. When girls within even hailing distance of puberty carry a lot of fat, the body may take that as a cue to get the reproductive system booted up.

"This is what we'd call a permissive factor," says Michael Freemerk, chief of pediatric endocrinology at Duke University Medical Center. "You need some adipose tissue for puberty to start." Says Kaplowitz: "In girls, it's advantageous to link reproduction to fat stores. In boys, there's no reproductive need for that."

Insulin—which is also at high levels in overweight and obese kids—presents another problem. While the purpose of the hormone is to break down sugars, it also stimulates the production of estrogen in the ovaries of girls and androgens in the adrenal glands of both sexes. In addition, it reduces the amount of a pro-



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LIPITOR is a prescription medicine. Along with diet and exercise, it lowers "bad" cholesterol in your blood. It can also raise "good" cholesterol (HDL-C).

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Common side effects of LIPITOR are:

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- Upset stomach
- Changes in some blood tests

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tein that is intended to bind with excess sex hormones and essentially take them out of circulation. That's a bad combination—a little like putting more troublemakers on the streets at the same time you call off the cops. "The hormones," says Freemark, "become freed up and unhooked."

Whether the problem is exacerbated by the agricultural hormones Americans are consuming in their diets is not clear. It's true that overweight kids tend to eat more meat and dairy products than average-weight kids, and meat and dairy are where the hormones would live. But no definite link to precocious puberty has been established. The answer could just be that those foods are higher in calories, it could be that they're indeed higher in hormones—or it could be both. For now, says Klein, "the better evidence points to the calories, but much more research on environmental factors is being done."

If boys and girls are equally likely to carry excess weight—and they are—you'd think they'd be at equal risk for obesity-related precocious puberty too. But they are not. Indeed, a number of studies have found that overweight boys may, if anything, suffer from delayed puberty.

The explanation is found in an enzyme called aromatase, which is abundant in fatty tissues. Aromatase raises the level of estrogen in the body, in part by converting testosterone to estradiol, a close estrogen relative. In girls, this process amounts to stepping on the puberty accelerator even harder. In boys, it means slamming on the brakes. One study in the *Archives of Pediatrics & Adolescent Medicine* showed that among boys with the highest body mass index (BMI), 14% still showed no signs of puberty by age 11.5. Among boys with the lowest BMI, just 8% showed no signs.

While overweight boys may enter full-blown puberty later than their normal-weight peers, they may develop one sign of maturity earlier: pubic and underarm hair. That's because of the extra androgens—which aromatase doesn't convert to female hormones—that their weight causes their adrenal glands to release. "This isn't the same as true puberty," says Freemark. "It's just one piece of it."

The Chemical Soup

MUCH MORE WORRISOME THAN OBESITY—IF ONLY because it's much less understood—is the impact of chemical contaminants in the environment on our bodies. One recent study by the Centers for Disease Control found that the blood of the average American carries traces of 212 different chemicals, including such toxins as arsenic and cadmium. A stunning 93% of Americans have traces of BPA in their urine. It's that chemical, along with phthalates and, to a lesser extent, PBBs, polychlorinated biphenyls (PCBs) and DDE (a breakdown product of DDT), that causes the most concern among doctors studying precocious puberty.

All of these chemicals have the power to disrupt the endocrine system by either mimicking hormones, blocking them or changing the way they're metabolized and excreted. None of these are healthy for any human, but at least for adults, whose tissues have long since formed and set, the risk may be tolerable. For kids, who are still biological works in progress, it can spell big trouble. "There are key development windows during which hormones are important for organizing different parts of the body,"

The Cost of Growing Up Too Fast Kids can suffer in multiple ways



says Heather Patisaul, an assistant professor of biology at North Carolina State University specializing in environmental estrogens. "Numerous organ systems appear to be targets, including the gonads and the brain."

Phthalates and BPA have been linked to correctable urethral deformities in baby boys who were exposed to the chemicals in utero. Earlier investigations turned up all manner of similarly alarming findings: a 2001 study of girls adopted in the U.S. from overseas showed both high levels of DDE in their tissue and a high incidence of precocious puberty; a 1999 study in the *Journal of Pediatrics* showed that girls exposed to PCBs and boys exposed to DDE in utero weighed more by age 14 than unexposed kids and also entered puberty earlier; an oft discussed—if very small—study of 76 Puerto Rican girls found that of those who tested high for phthalate exposure, 68% entered puberty too early. For those with low exposure, the figure was just 3%.

The chemical industry, unsurprisingly, challenges these findings, and not without reason. The field is still relatively new, the studies are still inconclusive, and there are countless variables that go into determining the precise way environmental chemicals react in any individual body. While there is a broad consensus that many of these chemicals do behave like estrogens, even Patisaul concedes that "there is no smoking gun." However, says Herman-Giddens, if such a cause does exist, the chemical industry is not doing much to help the scientific community find it. "There is resistance to studying these things," she says, "and most of it comes from the industries involved."

Fixing the Problem

WHATEVER THE CAUSES OF PRECOCIOUS PUBERTY, THE risks are well known. Incidence of breast cancer is higher in women who develop early, owing to the extra years of hormone dosing that sensitive tissues get. Men may face similarly increased danger of testicular or other reproductive tract cancers. Skeletal problems are much more common. Precocious puberty leads to sudden growth spurts, causing kids to become taller

1/3

Share of American kids who are overweight or obese; too much body weight is a known accelerator for puberty

68%

Percentage of Puerto Rican girls who entered puberty early after being exposed to high levels of phthalates, according to one small study

than most of their peers, but that height edge doesn't last. As bone development advances, growth plates may close prematurely, and in the end, those kids wind up shorter—sometimes significantly so—than they would have been otherwise. It is for this reason more than any other that children developing too soon are often prescribed drugs to shut off puberty for a year or two or even longer, allowing their chronological, hormonal and skeletal growths to sync more healthily.

The treatment prescribed for these kids involves monthly injections of a medication that neutralizes the effect of GnRH, not by reducing the level of the hormone in the body but, paradoxically, by increasing it. GnRH is released by the hypothalamus in a pulsing pattern, and the injections are designed to fill in the gaps between the surges. For the first month, this actually causes puberty to accelerate, but the body then begins to interpret the steady-GnRH state as no GnRH at all, and the sped-up maturation stops. The phenomenon is similar to the way an intermittently thrumming window fan will keep you up at night, but when you fill in the gaps in the noise, the smoother whoosh will lull you to sleep. Treatment goes on for as long as it takes a child's calendar age to catch up with developmental age. About six months after the last shot, normal puberty resumes. Monthly injections are not the only way to go. Three-month formulations of the meds are in the pipeline, and subcutaneous implants—similar to long-term contraceptive products—are also available. Implants, however, do not have the same flexibility, since they must be removed and replaced if dosage changes.

While the drugs do work, they can be punishingly expensive—more than \$1,400 per month for people without health insurance. Even for insured Americans who can afford the meds, it's still not an easy or happy decision to begin dosing a young child with hormone and growth regulators to control a process that biology and nature had well in hand for millions of years.

Parents would thus prefer it if there were some ways to prevent or at least mitigate the problem, and there are—sort of. You can throw out plastic water bottles, microwave your food in glass containers and give your kids wooden toys to play with, but with 6 billion lb. (2.7 billion kg) of BPA produced around the world each year, it's impossible to stay entirely unexposed.

Other sources of trouble are easier to avoid. You can go easy on the soy products to limit your intake of the suspect isoflavones. You can buy hormone-free milk and meat—at least for your kids if not for yourself. And healthy diets and plenty of exercise can help children maintain a normal weight and thus a normal puberty trajectory.

‘There is no clear smoking gun in terms of which chemicals might be contributing to early puberty in girls.’

—HEATHER PATISAUL, PROFESSOR OF BIOLOGY, NORTH CAROLINA STATE UNIVERSITY

Resetting the Puberty Clock What to do when things go awry



DO NOTHING
40% of precocious puberty cases



DIET AND EXERCISE
40% of precocious puberty cases



MEDICATION
20% of precocious puberty cases

28%

Percentage of all cases of precocious puberty that are thought to be inherited; the causes of many of the rest are simply unknown

What's more, even when children show symptoms of precocious puberty, it does not always mean the condition will have to be treated. "In many cases, kids don't have much more than precocious pubic hair," says Klein. "Even when girls have true central precocious puberty, 40% of the time we merely watch and wait, as long as they're not psychologically bothered and their adult height is not likely to be compromised." But in the other 60% of cases, when the growth plates in the bones are dangerously close to closing or the condition begins so early that a normal childhood—never mind a full adult height—is unlikely, parents are well advised to act.

The pharmaceutical treatments are the best science can currently offer, but studies under way are trying to determine the genetic roots of precocious puberty, which could go a long way toward explaining the idiopathic cases. One possible answer could be irregularities in what's known as the KISS1 gene, which produces what are known as kisspeptins, key regulators of the endocrine process and cell formation. "Mutations in the gene have been associated with earlier activation of the GnRH neurons," says Klein, "and this may then somehow lead to precocious puberty." Knowing this does not make it easy to re-engineer the gene, but it might at least make it possible to test kids for a KISS1 mutation and monitor the ones who turn up positive for the first signs of trouble.

It's one of the more poignant bits of the precocious-puberty puzzle that a little-discussed risk factor for the condition has been found to be low birth weight. The tinier you are when you pop from the womb, the likelier it is you'll grow up too soon.

"I have a theory about this one," says Herman-Giddens, "and it occurred to me when I was gardening. I've always noticed that the plants at the very edge of the garden—the ones that get the least water and nourishment—are also the ones that begin to flower the earliest." For a plant, flowering is puberty, and hurrying things along is a way of ensuring that even the weakest bud in the bed will have a fair chance to reproduce. For kids, flowering is much more complicated than that, and slowing things down is one way to ensure that it's a safer—and happier—passage.



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WEALTHY SPECIAL

Girls, Interrupted

Children pay a price
when childhood ends
too soon

BY CAITLIN FLANAGAN

THE OCCASION OF A GIRL'S FIRST PERIOD ALWAYS brings with it a bittersweet moment in her mother's life. It is a harbinger of something she may have dreaded since her baby was born: the separation, the pulling away, the disappearance of the chatterbox little helper and the arrival of the moody, private young woman. It's the beginning of what I call Girl Land: the attenuated leave-taking each girl must undertake in adolescence, putting away the person she was as a child and coming to terms with the new identity she will assume as a woman. The mother isn't just melancholy about the loss of the antic, besotted companion, however. She may also be ambivalent—at best—about her daughter's having to confront the big, complicated reality that is female sexuality.

A little girl's life is drenched in romance. Even the most stalwartly progressive of mothers will throw up her hands at a toddler daughter's sudden and impassioned embrace of princess dolls and stories, her



fascination with brides and the search for Prince Charming. All of these fantasies, of course, depend—in one way or another—on sex, but sex is the furthest thing from the mind of a little girl. She's just playing at something that enchants her, something that is in fact the soul of innocence. The grotesque way our culture continues to sexualize little girls—marketing thong underwear for school-age children and padded bikini tops for 7-year-olds—may be hideous, but it's not depraved. The reason is that little girls don't interpret these things the way adults do. They are presexual beings, and while deeply attracted to the exciting world of teenagers—one they imagine to be composed entirely of dating and fashion and telephone calls with handsome boys—they envision it as being as chaste as the Disney movies they loved when they were really small. When a little girl calls an outfit "sexy," she means that it's cute, that it's something the big girls she idolizes might wear.

This begins to change, dramatically, with the arrival of the first period. Even those girls who are thrilled to have joined the club discover something sobering: that a period has nothing to do with teen culture or fashion and everything to do with the preparation of their bodies for the rude fact of human reproduction, in all its bloody profundity. The first period is not a gentle next step into the world of teenage excitement; it's the undeniable fact that a relatively young girl is now capable of reproduction. For centuries, a mother's sadness over a daughter's period was caused by the knowledge that the closer a girl got to giving life, the closer she was to potentially losing her own. In the first world, we no longer have to contend with this reality because blessedly few women die in childbirth nowadays. But some of these dark sentiments linger on, and for all these reasons, a girl and her mother greet this marker of change with a complicated set of responses.

Imagine now this totemic event's taking place not at the beginning of Girl Land—at the age of 12 or 13—but in the middle of actual childhood. Imagine a little girl who is still reading *Pippi Longstocking* and sleeping in a bed covered with stuffed animals and still imagining in

a vague and inchoate way that the man she marries will be some version of her father—a man who is so wild about her, who puts all her best drawings up on his office wall and whose idea of a physical embrace is a kiss on the cheek and a piggyback ride all the way to the dining room. What is a child of that age to make of the arrival of menstruation, this sign that she is biologically capable of mating and reproducing? And what of the fact that the hormones that initiate menstruation also initiate the beginning of a girl's sexual awakening?

For these events to occur when a child is only 8 or 9 years old constitutes something at once unprecedented and dearly in need of some deep thought on the part of parents, teachers, doctors and even policymakers. Schools will need to grapple with whether to begin sex education at ever earlier ages—a

potential boon to girls on the cusp of precocious puberty but a development that might be deeply troubling to the other very young girls. That there seems to be a correlation between precocious puberty and poverty should also concern us. Girls from low-income families are already at the highest risk for becoming pregnant as young teenagers, with all the attendant woes that come with it. If they are becoming fertile in childhood, we could see an acceleration of that ruinous trajectory.

It's unrealistic to think we will be able to reimagine early puberty as a part of childhood rather than its end. But it is also painful to contemplate the consequences of our continuing to sexualize little girl culture, given a significant trend toward earlier and earlier onset of puberty. Girls who are biologically and emotionally grounded in a presexual world can survive, without too much psychic damage, a common culture that suggests sex should be the driving value of human experience and especially that of young females. But a very young girl who has begun to develop will interpret all these messages and imperatives very differently. They will pollute her girlhood in some ways that will inform her sense of herself for the rest of her life.

One of the astonishing things about a recent collection of women's memories of their first periods, *My Little Red Book*, is that even the most educated and modern girls often report that their first thought when they saw blood in their underwear was that they were dying. That's how shocking the beginning of this womanly process can be for the uninitiated. Adolescent girls are urged to rush through Girl Land—to become like the jaded, highly sexualized young women they see lionized in our popular culture. It's cruel to expect adolescents to make the change from girl to woman without any special protections against the corrosive forces of the world, without sufficient time and privacy to work out the big questions of their lives. To expect actual children to manage this without a special and intentional level of care and protectiveness is even worse. ■

Flanagan is the author of Girl Land, to be published in January



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- If you develop uncontrollable facial or body movements, call your doctor, as these may be signs of **tardive dyskinesia (TD)**. TD may become permanent and the risk of TD may increase with the length of treatment and the overall dose. While TD can develop after taking the medicine at low doses for short periods, this is much less common. There is no known treatment for TD, but it may go away partially or completely if the medicine is stopped

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- **Other risks** may include lightheadedness upon standing, decreases in white blood cells (which can be serious), seizures, trouble swallowing, or impairment in judgment or motor skills. Until you know how ABILIFY affects you, you should not drive or operate machinery

The **common side effects** in adults in clinical trials ($\geq 10\%$) include nausea, vomiting, constipation, headache, dizziness, an inner sense of restlessness or need to move (akathisia), anxiety, and insomnia. Tell your doctor about all the medicines you're taking, since there are some risks for drug interactions. You should avoid alcohol while taking ABILIFY.

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IMPORTANT INFORMATION ABOUT ABILIFY (aripiprazole)

ABILIFY® (a BIL i fi) (aripiprazole)

FOR ONLY

This summary of the Medication Guide contains risk and safety information for patients about ABILIFY. This summary does not include all information about ABILIFY and is not meant to take the place of discussions with your healthcare professional about your treatment. Please read this important information carefully before you start taking ABILIFY and discuss any questions about ABILIFY with your healthcare professional.

What is the most important information I should know about ABILIFY?

Serious side effects may happen when you take ABILIFY, including:

- Increased risk of death in elderly patients with dementia-related psychosis: Medicines like ABILIFY can raise the risk of death in elderly people who have lost touch with reality (psychosis) due to confusion and memory loss (dementia). ABILIFY is not approved for the treatment of patients with dementia-related psychosis.

- Risk of suicidal thoughts or actions: Antidepressant medicines, depression and other serious mental illnesses, and suicidal thoughts or actions:

Antidepressant medicines may increase suicidal thoughts or actions in some children, teenagers, and young adults within the first few months of treatment. Depression and other serious mental illnesses are the most important causes of suicidal thoughts and actions. Some people may have a particularly high risk of having suicidal thoughts or actions including people who have (or have a family history of) bipolar illness (also called manic-depressive illness) or suicidal thoughts or actions.

How can I watch for and try to prevent suicidal thoughts and actions in myself or a family member?

- Pay close attention to any changes, especially sudden changes, in mood, behaviors, thoughts, or feelings. This is very important when an antidepressant medicine is started or when the dose is changed.
- Call the healthcare provider right away to report new or sudden changes in mood, behavior, thoughts, or feelings.
- Keep all follow-up visits with the healthcare provider as scheduled. Call the healthcare provider between visits as needed, especially if you have concerns about symptoms.

Call a healthcare provider right away if you or your family member has any of the following symptoms, especially if they are new, worse, or worry you:

- thoughts about suicide or dying, attempts to commit suicide, new or worse depression, new or worse anxiety, feeling very agitated or restless, panic attacks, trouble sleeping (insomnia), new or worse irritability, acting aggressive, being angry, or violent, acting on dangerous impulses, an extreme increase in activity and talking (mania), other unusual changes in behavior or mood.

What else do I need to know about antidepressant medicines?

- Never stop an antidepressant medicine without first talking to a healthcare provider. Stopping an antidepressant medicine suddenly can cause other symptoms.
- Antidepressants are medicines used to treat depression and other illnesses. It is important to discuss all the risks of treating depression and also the risks of not treating it. Patients and their families or other caregivers should discuss all treatment choices with the healthcare provider, not just the use of antidepressants.

- Antidepressant medicines have other side effects. Talk to the healthcare provider about the side effects of the medicine prescribed for you or your family member.

- Antidepressant medicines can interact with other medicines. Know all of the medicines that you or your family member takes. Keep a list of all medicines to show the healthcare provider. Do not start new medicines without first checking with your healthcare provider.

- Not all antidepressant medicines prescribed for children are FDA approved for use in children. Talk to your child's healthcare provider for more information.

What is ABILIFY (aripiprazole)?

ABILIFY is a prescription medicine used to treat:

- major depressive disorder in adults, as an add-on treatment to an antidepressant medicine when you do not get better with an antidepressant alone.

The symptoms of major depressive disorder (MDD) include feeling of sadness and emptiness, loss of interest in activities that you once enjoyed and loss of energy, problems focusing and making decisions, feeling of worthlessness or guilt, changes in sleep or eating patterns, and thoughts of death or suicide.

What should I tell my healthcare provider before taking ABILIFY?

Before taking ABILIFY, tell your healthcare provider if you have or had:

- diabetes or high blood sugar in you or your family; your healthcare provider should check your blood sugar before you start ABILIFY and also during therapy.
- seizures (convulsions).
- low or high blood pressure.
- heart problems or stroke.
- pregnancy or plans to become pregnant. It is not known if ABILIFY will harm your unborn baby.
- breast-feeding or plans to breast-feed. It is not known if ABILIFY will pass into your breast milk. You and your healthcare provider should decide if you will take ABILIFY or breast-feed. You should not do both.
- low white blood cell count.
- phenylketonuria. ABILIFY DISC-MELT Orally Disintegrating Tablets contain phenylalanine.
- any other medical conditions.

Tell your healthcare provider about all the medicines that you take or recently have taken, including prescription medicines, non-prescription medicines, herbal supplements, and vitamins.

ABILIFY and other medicines may affect each other causing possible serious side effects. ABILIFY may affect the way other medicines work, and other medicines may affect how ABILIFY works.

Your healthcare provider can tell you if it is safe to take ABILIFY with your other medicines. Do not start or stop any medicines while taking ABILIFY without talking to your healthcare provider first. Know the medicines you take. Keep a list of your medicines to show your healthcare provider and pharmacist when you get a new medicine.

How should I take ABILIFY?

- Take ABILIFY exactly as your healthcare provider tells you to take it. Do not change the dose or stop taking ABILIFY yourself.
- ABILIFY can be taken with or without food.
- ABILIFY tablets should be swallowed whole.
- If you miss a dose of ABILIFY, take the missed dose as soon as you remember. If it is almost time for the next dose, just skip the missed dose and take your next dose at the regular time. Do not take two doses of ABILIFY at the same time.
- If you take too much ABILIFY, call your healthcare provider or poison control center at 1-800-222-1222 right away, or go to the nearest hospital emergency room.

What should I avoid while taking ABILIFY?

- Do not drive, operate heavy machinery, or do other dangerous activities until you know how ABILIFY affects you. ABILIFY may make you drowsy.
- Do not drink alcohol while taking ABILIFY.
- Avoid getting over-heated or dehydrated.
 - Do not over-exercise.
 - In hot weather, stay inside in a cool place if possible.
 - Stay out of the sun. Do not wear too much or heavy clothing.
- Drink plenty of water.

What are the possible side effects of ABILIFY (aripiprazole)?

Serious side effects have been reported with ABILIFY, including:

- Neuroleptic malignant syndrome (NMS): Tell your healthcare provider right away if you have some or all of the following symptoms: high fever, stiff muscles, confusion, sweating, changes in pulse, heart rate, and blood pressure. These may be symptoms of a rare and serious condition that can lead to death. Call your healthcare provider right away if you have any of these symptoms.

- High blood sugar (hyperglycemia): Increases in blood sugar can happen in some people who take ABILIFY. Extremely high blood sugar can lead to coma or death. If you have diabetes or risk factors for diabetes (such as being overweight or a family history of diabetes), your healthcare provider should check your blood sugar before you start ABILIFY and during therapy.

Call your healthcare provider if you have any of these symptoms of high blood sugar while taking ABILIFY:

- feel very thirsty, need to urinate more than usual, feel very hungry, feel weak or tired, feel sick to your stomach, feel confused, or your breath smells fruity.

- Difficulty swallowing: may lead to aspiration and choking.

- Tardive dyskinesia: Call your healthcare provider about any movements you cannot control in your face, tongue, or other body parts. These may be signs of a serious condition. Tardive dyskinesia may not go away, even if you stop taking ABILIFY. Tardive dyskinesia may also start after you stop taking ABILIFY.

- Orthostatic hypotension (decreased blood pressure): lightheadedness or fainting when rising too quickly from a sitting or lying position.

- Low white blood cell count

- Seizures (convulsions)

Common side effects with ABILIFY in adults include nausea, inner sense of restlessness/need to move (akathisia), vomiting, anxiety, constipation, insomnia, headache, restlessness, dizziness.

These are not all the possible side effects of ABILIFY. For more information, ask your healthcare provider or pharmacist.

Call your doctor for medical advice about side effects. You may report side effects to FDA at 1-800-FDA-1088.

General information about ABILIFY

- Store ABILIFY at room temperature, between 59°F to 86°F. Opened bottles of ABILIFY Oral Solution can be used for up to 6 months after opening, but not beyond the expiration date on the bottle. Keep ABILIFY and all medicines out of the reach of children.

- Medicines are sometimes prescribed for purposes other than those listed in a Medication Guide. Do not use ABILIFY for a condition for which it was not prescribed. Do not give ABILIFY to other people, even if they have the same condition. It may harm them.

- This summary contains the most important information about ABILIFY. If you would like more information, talk with your healthcare provider. For more information about ABILIFY visit www.abilify.com.

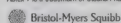
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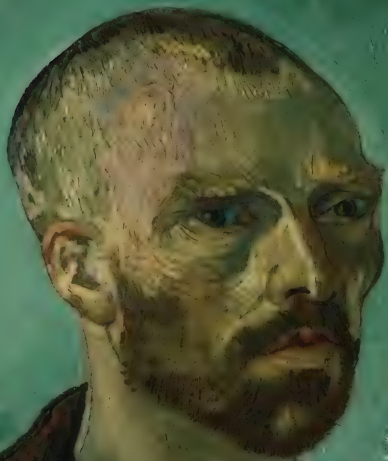
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VINCENT VAN GOGH
SELF-PORTRAIT WITH BANDAGED EAR
1889, OIL ON CANNED-PAINT BOARD
MUSEUM OF MODERN ART, NEW YORK
PAGE 52

The Culture

64 POP CHART Sonic split / **66 BOOKS** Probing van Gogh's death / **69 FOOD** Foraging in the city / **70 GAMES** The art of *Modern Warfare* / **76 MOVIES** Ingenue alert!

Pop Chart



BRIT-BAND EDITION

GOOD WEEK BAD WEEK

The Stone Roses

After 15 years apart, the Manchester rock group announced a reunion tour

UB40

Several of the sprawling band's members were declared bankrupt



TELEVISION Zombies Devour Cable Records

The Season 2 premiere of AMC's *The Walking Dead* pulled in 7.3 million viewers, making it the most watched drama in basic-cable history among that most wanted demographic, people ages 18 to 49.

Q&A

Elizabeth Olsen

The Olsen twins' sister talks about her new film, *Martha Marcy May Marlene* (see review on page 76), in which she plays a young woman drawn into a cult.

Are you tired yet of having to talk about your sisters? No, not really! I was talking about [them] long before this movie. I wasn't naive as to how I would be perceived when I chose to act. That's why I decided to really study the craft.

***Martha Marcy May Marlene* is a pretty bold way to introduce yourself to the world.** We weren't trying to make a statement with it, but I have seen how the film affects people. People who have been domestically abused have talked to us about it, as well as former cult members. They all feel like it captures how they lost their voice during that time.

How did you get into the character of Martha? Did you study the psyche of cult members? Actually, no. I only had two weeks [after] I booked the job to figure out what I was doing. So I just focused on what I understand, which is people suffering from paranoia.

—RACHEL SYME



MOVIES

Bullock vs. the Blue People

In response to Netflix's list of its most rented movies, published earlier this month, the BitTorrent site TorrentFreak released a list of the most pirated flicks ever. By the looks of it, dudes really like to steal movies. Their moms like to rent them.

TOP 5 MOST RENTED MOVIES ON NETFLIX



The Dark Knight Rises



The Hunger Games



The Dark Knight



The Hunger Games: Catching Fire



The Dark Knight Rises

TOP 5 ILLEGALLY DOWNLOADED MOVIES



Avatar



The Dark Knight



The Dark Knight



The Dark Knight



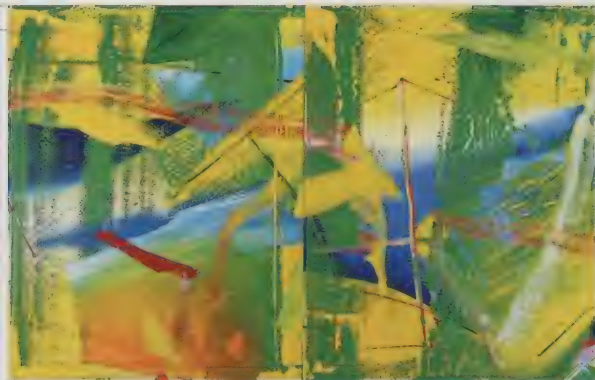
The Dark Knight



AWKWARD

National Book Award Flubs Noms

You would think a group that reads as much as the National Book Foundation would be more careful with words. When the finalists for the National Book Awards were announced live on Oregon public radio, the hosts delivered glowing praise for Lauren Myracle's *Shine*, about a teenage sleuth who investigates an anti-gay hate crime. After the show, they realized they had named the wrong book. They belatedly nominated Franny Billingsley's *Chime* (about a teenage witch) instead. Then they asked Myracle to withdraw her book from consideration. The winners of the National Book Awards will be announced on Nov. 16. That's the plan, anyway. Who knows? Maybe they'll just read off a list of random books instead.



RICHTER TALE German artist Gerhard Richter, whose career has met with both critical and commercial success, is the subject of a retrospective at London's Tate Modern. "Gerhard Richter: Panorama," which runs through Jan. 2, spans almost five decades and includes realistic portraits as well as colorful abstractions like *Yellow-Green*, 1982, above.



LOST YOUTH
REUNION
Sonic Youth's Kim Gordon and Thurston Moore, co-founders of the influential 31-year-old alt-rock band, are calling it quits. The five-person group still plans to play several South American shows next month. Those shows are not going to be uncomfortable in the least.



MUSIC Their Lost Youth

After 27 years of marriage, Kim Gordon and Thurston Moore, the co-founders of the influential 31-year-old alt-rock band Sonic Youth, are calling it quits. The five-person group still plans to play several South American shows next month. Those shows are not going to be uncomfortable in the least.



4 THINGS WE ASKED SIRI, THE 'INTELLIGENT ASSISTANT' THAT COMES WITH THE IPHONE 4S (AND HER ACTUAL REPLIES)

So, do these jeans make my butt look big? I found a number of clothing stores fairly close to you.

What's your favorite color? My favorite color is, well, I don't know how to say it in your language. It's sort of greenish but with more dimensions.

What's the best phone? Wait... there are other phones?

Where is Steve Jobs now? I don't know who Steve Jobs is.

VERBATIM

'Unless you are without sin—and if you are, you are in the wrong f---ing industry—you should forgive him and let him work again.'

ROBERT DOWNEY JR., defending friend Mel Gibson, who has been made a Hollywood outcast following racist remarks and accusations of domestic abuse



MUSIC She Don't Use ... Gummy?

The Flaming Lips are into some weird stuff right now. First they sold 500 gummy skulls containing a four-song USB drive. Then they put out a six-hour song with an accompanying strobe-light toy. Now they're set to release a 24-hour song encased in a real human skull. What's the deal? As singer Wayne Coyne explained to us, "Our audience likes to take drugs and listen to music." Oh yeah, that.



Books



The Stranger. A new look at van Gogh's life—and death

By Richard Lacayo

IN 1876, WHEN VINCENT VAN GOGH WAS IN THE GRIP of a religious mania (feverish obsessions were a constant in his life), he gave his first sermon as an itinerant preacher. He quoted Psalms: "I am a stranger in this world." That was another of van Gogh's constants—miserable estrangement. Those two conditions are motifs in any telling of his story, but they have never been laid out as cogently and thoroughly as in *Van Gogh: The Life*. Steven Naifeh and Gregory White Smith, whose 1989 biography of Jackson Pollock won the Pulitzer Prize, have written this generation's definitive portrait of the great Dutch post-Impressionist.

Naifeh and Smith are very good on van Gogh's decades-long struggles to find a new freedom of color and brushwork and on his fraught dealings with his saintly brother Theo. They also bring new insight to the question of what caused his periodic mental breakdowns. (Answer: frontal-lobe epilepsy.) Their most important achievement is to produce a reckoning with van Gogh's occasional "madness" that doesn't lose sight of the lucidity and intelligence—the profound sanity—of his art.

For all that, the most talked-about part of their book will be

The Evolution Of His Art



Man with Top Hat

1889, oil on canvas, 19 1/2 x 16 1/2 inches, Musée d'Orsay, Paris. This is the last painting van Gogh made before he was committed to the asylum at Saint-Rémy-de-Provence in May 1889.



The Potato Eaters

1885, oil on canvas, 19 1/2 x 16 1/2 inches, Musée d'Orsay, Paris. This is the last painting van Gogh made before he was committed to the asylum at Saint-Rémy-de-Provence in May 1889.



The Harvest

1890, oil on canvas, 19 1/2 x 16 1/2 inches, Musée d'Orsay, Paris. This is the last painting van Gogh made before he was committed to the asylum at Saint-Rémy-de-Provence in May 1889.

the final pages. Everybody knows two things about van Gogh. One is that in December 1888, after a fierce argument with Paul Gauguin, he sliced off part of his ear. The second is that 19 months later, recuperating in the French village of Auvers-sur-Oise, he walked into a wheat field with his painting kit and shot himself in the stomach. Two days later, he died in his room at a nearby inn.

Naifeh and Smith don't buy the suicide story. They believe van Gogh was shot, perhaps inadvertently, by a 16-year-old student from Paris named René Secrétan. He and his brother Gaston spent summers in Auvers. Gaston, who loved art, found a companion in van Gogh. René and his contemptuous buddies nicknamed him Toto, French slang for crazy.

One thing that raised the authors' doubts about van Gogh's death was an interview that René gave in 1956 to share memories of the artist. In it he mentioned a small pistol he carried that summer—one that tended to go off accidentally. In the 1960s, two other old residents of Auvers would claim that van Gogh did not shoot himself in the wheat field but in a small farmyard. One even reported that her grandfather saw van Gogh enter the farmyard; later, she claimed, he heard a shot.

Naifeh and Smith suspect that the Secrétan brothers came upon van Gogh that day and accompanied him to the farm. If so, did René start taunting him in his usual way? Did van Gogh react in anger? Did René pull out his faulty pistol, either as a threat or a joke? And once back at the inn, did van Gogh claim he had shot himself to cover for his friend's brother?

As the authors admit, what they offer is a "hypothetical reconstruction," but it's one that helps explain many puzzles surrounding van Gogh's death. Why did his doctor believe that the lethal bullet was fired from a distance? Why was his painting kit never found in the wheat field? And what to make of van Gogh's odd words to the police, "Don't accuse anyone else"?

For more than a century, we haven't. Maybe it's time we did. But even if it's impossible to establish the facts of van Gogh's death, we have this comprehensive book to give us the full, ragged glory of his life.

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Food

Pick Pockets Cities respond to the rise of urban foraging

By Blake Driver

A NEW BOOK, *THE BAY AREA*

Forager, argues that foraging not only helps keep unwanted food from going to waste but can also fight the spread of invasive plants and promote sustainability. So go ahead: Grab an apple. Organize a neighborhood harvesting party. Cook some acorn pâté. Just make sure that you get the property owners' permission first and that you're not about to ingest something harmful. Across the U.S., mobile apps and other technologies are helping wild foodies get their fill. Here's a look at how a handful of cities are responding to the rise of urban foraging. If you play by the rules, where the sidewalk ends could be where your lunch begins.

1. PORTLAND, ORE.

Urban Edibles' free online map lets users check to see if, say, a patch of dandelion greens is on public or private land or if they have permission to pick it. Users can also add new entries, and if they don't know who owns the property, the site's drop-down menu lets them direct others to "Ask before you pick!" The project, which started in 2006, has 680 entries. So far, only two homeowners have asked to be removed for privacy reasons.

4. ALBUQUERQUE, N.M.

Last spring, a for-profit venture called Urban Orchards started offering to harvest tree owners' fruit for a nominal \$25 fee. Owners get 10% of the resulting jam free of charge. The company plans to donate 5% to a food charity and sell the rest, typically back to the owners, who may or may not choose to pass the preserves off as quasi-homemade gifts. Foods ready for harvesting now: prickly-pear cactus fruit, pignut nuts and apples.

2. SAN FRANCISCO

Need help foraging in the Bay Area? There are wild-food apps, guided tours, dinners and, for city folk, a wild-food version of a farm share that brings customers a monthly box of foraged items. But Ditters, beware: foraging can be illegal, and eating the wrong thing can kill you. The Bay Area Forager notes that where plants grow matters and cautions against picking near parking lots and roads because the soil might contain a lot of lead or mercury.

5. ATLANTA

There are 25 pear trees, nine pomegranate trees and hundreds of other entries on Concrete Jungle's free online foraging map, part of a volunteer-run site that says it strives to keep residential foods off the map. The site also warns that uncultivated peaches tend to be "pretty scrawny," prickly pears are "not particularly tasty" and unripe persimmons can cause a medical condition called a becor that may "require surgical intervention."

3. LOS ANGELES

Mia Wasielevich and Pascal Baudar lead foraging classes throughout the city and teach survivalist skills like how to build traps to catch birds and small animals. (But actually trapping and killing them in L.A. is a "big no-no," says Wasielevich.) They also just launched a wild-foodie site, *TransitionalGastronomy.com*, that includes such dishes as cattail tempura and black-nighthshade ketchup. For dessert? Mugwort-ale ice cream.

6. NEW YORK CITY

Police and park rangers have been stepping up their patrols of public land and chasing off would-be foragers. Meanwhile, "Wildman" Steve Brill, who has built a career out of his 1986 arrest in Central Park for eating a dandelion (the charges were later dropped), is working on the Droid version of his mobile app, which includes hundreds of photos and recipes. Among those with ingredients currently in season: Juneberry crème pie and black-walnut bisque.

Some of the wild foods that are currently in season across the country.

Conflict of Interest

Video games based on America's real wars are big business

By Lev Grossman and Evan Narcisse

ON FRIDAY, SEPT. 2, 6,000 MEN AND WOMEN converged on two airplane hangars in the Playa Vista neighborhood of Los Angeles. Back in the day, Howard Hughes used the hangars to build the *Spruce Goose*. Now they'd been rented out by the video-game publisher Activision for a two-day event called *Call of Duty XP*, billed as "the premier live fan experience" for players of the insanely popular video-game franchise *Call of Duty*, a gritty simulation of military combat.

Tickets were \$150 a head, but you got a lot for your money. There was a zip line and a sumo-wrestling ring. Activision took a level from *Call of Duty: Modern Warfare 2* called Scrapyard, which is a digital re-creation of a junkyard, and painstakingly re-created it as a real junkyard where fans could play paintball. Jeep set up an extreme-driving course to show off its 2012 Wrangler. Anybody who was overstimulated could repair to the (Mountain) Dew Bunker for some downtime. The climax of the weekend was a *Call of Duty* tournament in which 32 four-person teams competed for \$1 million in prizes. Afterward, Kanye West performed live.

Over the past five years, *Call of Duty* has grown from merely a successful franchise into a cultural institution. There are eight games in the series, and three of them are among the 10 best sellers of all time. In 2009, *Call of Duty: Modern Warfare 2* took in \$310 million on its first day on sale, making it not only the biggest-ever retail launch of a video game but the biggest launch in entertainment history. Up through February of this year, gamers had logged more than 2 billion hours playing *Call of Duty* online. That works out to about 229,000 years.

The next game in the series, *Call of Duty: Modern Warfare 3*, arrives Nov. 8. But a niche this lucrative is bound to attract competitors. On Oct. 25 Electronic Arts—the second largest game pub-

lisher, after Activision—will release *Battlefield 3* in an attempt to knock *Call of Duty* off its perch. It's shaping up as a good old-fashioned retail rumble, complete with public trash-talking from highly placed executives. (An Electronic Arts VP told Activision CEO Eric Hirschberg, "You'll be out of the category in two to three years.") Fans are already dividing into factions, and hundreds of millions of dollars hang in the balance.

We'll know the winner of this showdown soon enough, but *Battlefield 3* and the *Modern Warfare* games raise other questions that are less easily settled. The games depict high-tech combat—meticulously re-creating, in all but name, the U.S. wars in Iraq and Afghanistan—but how real are they? And can they be too real? What does it mean to take a war that people are fighting and dying in right now and turn it into a game?

ACTIVISION PUBLISHES THE *CALL OF DUTY* games, but the company that actually makes them, or most of them, is called Infinity Ward. When the series started in 2002, the games were set in World War II, but in 2007 Infinity Ward started the present-day *Modern Warfare* branch of the *Call of Duty* series. It's a different kind of war and a different kind of game: there's a lot more creeping around and peering through sniper's scopes and night-vision goggles. The battlefields are less well defined; combat happens in city streets and crowded medinas. The line between civilian and combatant is often unclear. The game becomes less about taking out the target and more about figuring out who the target is.

The earlier *Call of Duty* games rode a powerful wave of Saving Private Ryan-style WW II nostalgia, but *Modern Warfare* tapped into something more primal. Sales exploded: by January 2010, sales of *Modern Warfare 2* had passed \$1 billion.

Army of one
A member of the U.S. Army's Delta Force prepares to take on Russian forces in *Call of Duty: Modern Warfare 3*





Samuel Johnson once wrote, "Every man thinks meanly of himself for not having been a soldier." Now every man can be a soldier, if only virtually.

Hirshberg is quick to head off any connections between the games and current events. "I would say *The Hurt Locker* is much closer to what's really going on," he says. "They're inspired by certain things that are actually happening, but there's a pretty far throw between the plot of the game and the real world." He's right, at least technically—the developers make sure to depict as few specific real-world events as possible. As one Infinity Ward developer puts it, "It's a completely fictional world that just happens to look like the modern day."

But the games can't avoid treading on, or near, the occasional nerve. The sheer fidelity of *Modern Warfare* is shocking. Some of the game play could be mistaken for YouTube footage from Iraq posted five minutes ago or leaked by WikiLeaks: dusty streets, horrified bystanders, lens flare, camera shake and half-heard cross chatter. *Modern Warfare 3* opens with a close-quarters fight in New York harbor in which missiles strike skyscrapers in the financial district. They burn. You could be looking at *Twin Towers: The Video Game*. (In the Paris segments of *Modern Warfare 3*, players can spot a fake cover of *TIME* depicting this 9/11-like scene, headlined **WORLD STANDS ON THE BRINK**.)

Modern Warfare strikes an uneasy compromise: it re-creates the physical reality of war while at the same time

erasing its meaning, or trying to. The developers strip out as much of the politics, purpose and context of war as possible. Those aren't part of the game. For example, the principal antagonists aren't fundamentalist Muslims; they're Russians—"ultranationalists" bent on restoring the Soviet regime. There's something inoffensive and almost innocent about it: the warfare is modern, but politically the game is a Cold War nostalgia trip.

ONE MIGHT THINK MEMBERS OF THE actual armed forces would object to their life-and-death struggles' being digitally re-enacted for fun and profit—and one would be right, but only to a point. In 2009, Japanese entertainment company Konami spiked plans for a game called *Six Days in Fallujah*, based on the bloody 2004 battle, after protests from veterans

Thar she blows A Navy SEAL prepares to engage in *Call of Duty: Modern Warfare 3*. In the background, the towers of Manhattan's financial district burn

and their families. In 2010 the Army and Air Force Exchange Service refused to sell the game *Medal of Honor* because of "well-documented reports of depictions of Taliban fighters engaging American troops." (The Taliban characters were generically renamed the "opposing force.")

But that's as far as the controversy goes. *Call of Duty* is wildly popular among active military as an after-hours chill-out activity. Last year Activision ran a million-dollar *Call of Duty: Black Ops* competition featuring one member from each of the six branches of the armed forces. (Metallica was the headlining band. The Coast Guard won.) As badly as civilians want to find out what real combat feels like, it seems that actual soldiers want to see real combat made unreal.

The relative lack of outrage also tells us something about what video games have come to mean as a medium. We tend to segregate games from other media; conventional wisdom has it that when books and movies depict contemporary conflicts—as in *The Hurt Locker* or *Black Hawk Down*—they're commenting on war, but when games do it, they're trivializing or exploiting it. Games aren't allowed to confront serious issues, the theory goes, because games don't "mean" anything.



CALL OF DUTY: MODERN WARFARE 3
The champion ill-multiperson first-person shooter, Activision's latest edition drops on Nov. 8



BATTLEFIELD 3
The challenger, an Electronic Arts product, has a two-week head start (and a slightly more reality-based premise)

WHAT'S HOT/WHAT'S NOT

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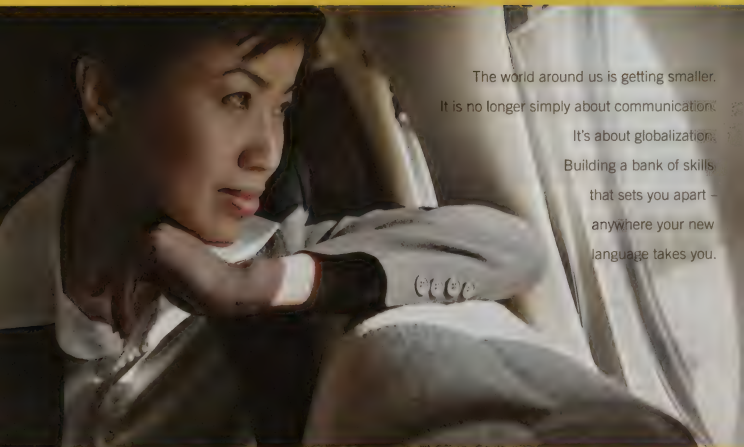
Also available is Speed Sleep II: For Health and Fitness.

A recent study proved the mind continues to process problems and goals even while we sleep. So, now you can motivate yourself to make healthier choices while you sleep. The sleep patterns established in the original Speed Sleep are used in Speed Sleep II. The difference is that once deeply asleep, Speed Sleep II has targeted imagery to focus the mind on better health and fitness. This imagery helps you program your mind to desire healthier alternatives and achieve your ideal body.

You can get them by mail or download and use them IMMEDIATELY by going to www.speedsleep.com or by calling 1-888-61-sleep.



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Paris is burning One feature that distinguishes *Battlefield 3* from *Modern Warfare 3* is its destructible environments, including a French Métro station

But if you take video games seriously as a real medium with the potential to send a real message, political or otherwise, the problem goes away. "Because it's a video game, to some people it still feels like this subculture that's off to the side, as opposed to what it is, which is fairly mainstream," Hirshberg says. "I think there will be a time when we look back and find it quaint that video games were so controversial."

He's right. The *Call of Duty* games can stand with anything in the cinematic canon as a visceral depiction of the immediate physical realities of war. But they could do even more. In a way, it's the developers who are holding games back by shying away from the politics of war rather than taking them on directly. Their position seems to be that *Call of Duty* has no comment about any wars that may or may not be happening in the real world—but it could comment on them if it wanted to.

BEHIND THE SCENES, AT LEAST, IT'S getting harder to distinguish games from movies. Their budgets run into nine figures. *Modern Warfare 3* features the voice of Tobey Maguire; Oscar-winning screenwriter and director Paul Haggis (*Crash*, *Million Dollar Baby*) worked on the story. *Modern Warfare 3* will almost certainly

be the biggest entertainment launch of 2011. It will, however, arrive two weeks behind *Battlefield 3*.

The plot of *Battlefield 3*, developed by the Stockholm-based company DICE, hews a little closer to reality than that of *Modern Warfare 3*. The enemy is a Middle Eastern insurgent group called the People's Liberation and Resistance (PLR). An earthquake has just shaken Iran, and the PLR seizes the opportunity to take control of Tehran. "It's like a book or a movie or any other form of entertainment," says Frank Gibeau, president of Electronic Arts. "Maybe we'll get a letter from the Iranian embassy that they don't like how we portrayed Iran. But I guess I can deal with that."

The word most invoked by marketers of both games is *authenticity*, and the games have legitimate claims to it. Both Infinity Ward and DICE work with military consultants. DICE uses Andy McNab, who spent 18 years in the British army, 10 of them with the Special Air Service. "I look at the tactics of the troops in the film and make sure about all the geeky stuff, like that the weapons are being used at the right ranges," McNab says. He confirms that the characters talk like soldiers and move like soldiers and even dress like soldiers. "If you wear BDUs—the battle dress uniforms—after a couple of days, through dirt and sweat, they sag at the knees," he says. "It's a bit like watching *ER*. I don't have a clue what they're talking about, but it sounds right and it looks right."

So which looks more real and more

real, *Battlefield 3* or *Modern Warfare 3*?

They're both realistic, but they're slightly different realities. You notice small disparities: the way bodies move, the way rubble flies through the air after an explosion, the way dust floats. *Battlefield* specializes in vehicular combat and destructible environments: if someone's taken cover behind a wall, you can spray high-caliber bullets at it and the wall will fall apart. Activision makes much of the fact that *Modern Warfare 3* runs at 60 frames per second (as opposed to *Battlefield 3*'s 30 on consoles), creating a smoother, more immersive experience. But neither game scores a knock-out punch. Expect a protracted struggle rather than a quick, decisive campaign.

As faithful as these games are, there is such a thing as too much reality. Every medium has its unique constraints, and the constraint of video games is that they have to be fun. Real war is hard, and it isn't fun. "How do you make real fun?" asks Patrick Bach, executive producer of *Battlefield 3*. "Most people could not drive a real tank. We're not claiming we're building a simulation of anything." Whether or not you take them seriously, there's a point at which games have to step back, embrace their inauthenticity and just be entertaining. Mark Rubin, executive producer at Infinity Ward, says he actually has to leave out a lot of what his military consultants tell him. "The things that they tell us that are real, we could never put in video games," he says, shaking his head. "No one would believe us. It's amazing how real *real* is."

Movies



Comparison: Both actresses (clockwise from left) Jones

Crazy for You. Two small films launch two big talents

By Mary Pols

THE STORY OF A YOUNG WOMAN WHO joins and later flees a dangerous cult, *Martha Marcy May Marlene* (in limited release Oct. 27) has the warm look of afternoon sunlight shot through with a sense of foreboding found in the dark of the loneliest night. I left a daytime screening unnerved by the film's chillingly calm cult leader, Patrick (John Hawkes, Oscar-nominated as the shady uncle in *Winter's Bone*), and, mostly, floored by the debut of 22-year-old Elizabeth Olsen. She didn't come out of nowhere; she's the younger sister of those ultimate show-business veterans, the Olsen twins, and looks like their taller, sunnier triplet. But there's a "holy smokes!" quality to her performance that evokes the exciting contradictions of early Kate Winslet: curvy but delicate, dewy-fresh yet totally in charge. These are the times that call for the phrase *A star is born*.

Those words came to mind again later that day at a screening of *Like Crazy* (in limited release Oct. 28), this time for English actress Felicity Jones, 27. She's a slip of a thing, yet, like Olsen, a magnetic force onscreen. Olsen and Jones were the It girls of this year's Sundance Film Festival, at which both *Martha* and *Like Crazy* pre-

miered. The movies have other common ground, from their naturalist filmmaking to their youthful directors (*Martha* is Sean Durkin's first feature; *Like Crazy*'s Drake Doremus is just 28) to the unmoored young characters at their centers.

Like Crazy follows the romance of Anna (Jones), an English aspiring writer, and Jacob (the fine Anton Yelchin), an American aspiring furniture maker. They fall for each other at a college in Los Angeles, but immigration issues separate them, on and off, for seven years. Somewhat in the spirit of the soulful Irish charmer *Once*, *Like Crazy* hands the viewer an express ticket to revisit the magic of falling in love. But the film goes further, delving into the anatomy of a relationship: Anna idealizes their love

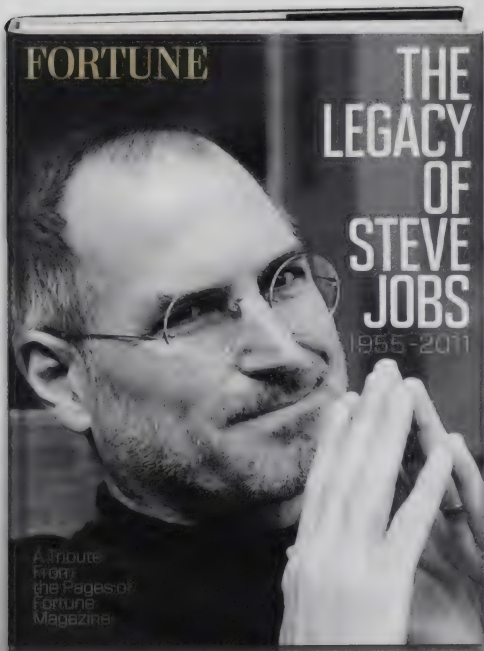
Olsen is the younger sister of show-business veterans the Olsen twins and looks like their taller, sunnier triplet

to the point of fetishizing it, but how can her passion square with the often tedious realities of a long-distance romance (and one tangled in bureaucracy to boot)? When Anna and Jacob, recently reunited but hardly feeling united, argue on a London street about whether to eat, Jones' downcast features and roving eyes perfectly illustrate a classically unsettling moment in young love: they're suddenly out of tune when all they expected was complete harmony. Disagreeing about lunch feels like doom.

Surrendering to love has its similarities to joining a cult, and the arrival of Martha (Olsen) at Patrick's crunchy fief—a farm in upstate New York—comes with its own touch of romance in *Martha Marcy May Marlene*. Patrick rechristens her Marcy May and serenades his new recruit with a song just for her. She's surprised, bashful, then breaks into a rapturous smile—this orphaned girl, so long adrift, has finally been celebrated. Martha was lost; Marcy May has value.

Moving back and forth in time, Durkin leans heavily on his lead's expressive gifts to communicate the hurt done to Martha/Marcy May both before and after she falls into the clutches of a megalomaniac. Seeking refuge with her caring but uncomprehending sister Lucy (Sarah Paulson) and Lucy's striving husband Ted (Hugh Dancy), Martha is sympathetic even in her weirdest post-cult moments, which include climbing into bed with Lucy and Ted while they're having sex. ("It's a big bed," Martha explains. "You guys were on the other side.") Olsen makes Martha's confusion and anguish painfully transparent, even when her cries for help might scan to an outsider as deliberate provocation.

Both *Martha* and *Like Crazy* end on ambiguous, unsettling notes, the kind likely to generate parking-lot and sidewalk debates. But all the answers we need are there, in closeup, in the faces of these vibrant young actresses. For Martha and Anna—one reeling from trauma, the other crazy in love—the damage has been done. For the ingenious ingenues Olsen and Jones, we know that everything is just getting started.



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You might think car dealers spend their
free time on the golf course.

2011 TIME Dealer of the Year
Thomas Castriota
Retired Lt. Colonel

TIME
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DRIVEN BY INNOVATION

The future of the automobile industry is being shaped by advances in everything from clean-car technology to mobile apps. It's a new world for consumers.





GEARING UP FOR CHANGE

Looking ahead to 2012 and beyond, U.S. automakers are on the right road, making the most of new technology.

RESILIENCE. IT'S THE STORY OF 2011—not just the 10th anniversary of 9/11 but the earthquake and tsunami in Japan, the numerous natural disasters across the United States and the massive fissures in the American and global economies that are stifling the job market and wreaking havoc on consumer savings and spending.

Resilience is also the story line of the automobile industry. Despite the economic and natural forces conspiring against it, the car industry's fortune continues to be built as much upon innovation as on the sweat and hard work of America's auto dealers. Indeed, while corporations nationwide hoard cash and refrain from investing and hiring, automakers are releasing new products, opening new plants and hiring more workers. A total of 66 new dealerships opened this year, and new-vehicle sales per dealership are expected to rise in 2011.

Because of wildfires in Texas, tornadoes in Missouri, and the damage Hurricane Irene brought to the East Coast—not to mention epic snowfall and flooding—dealerships, along with many of their customers, have found themselves underwater, literally and figuratively. Nonetheless, not only are America's car dealers and dealerships on the comeback trail, they are also often first in line when it comes to community recovery.

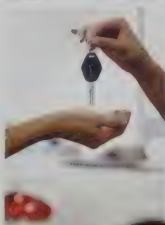
"The best way to survive a downturn is to be prepared," says Charles (Chip) Miller, president of Miller Ford Lincoln in Mount Holly,

N.J., and a finalist for the national TIME Dealer of the Year award for 2011. "You need to be well-capitalized, not over-staffed and have a productive company."

"As September sales were underway, the supply of vehicles from Japan had not yet recovered to the 55 or more days' supply needed to support robust new-vehicle sales," says Paul Taylor, chief economist for the National Automobile Dealers Association (NADA). But, he adds, "the Detroit

Three brands are near the 60 days' supply level necessary to support robust sales for these brands."


Consumers across the U.S. are playing a leading role in the industry's recovery too, responding to automaker innovation and advancements and seeking out newer,



Here's some quality reading regarding long-term quality.


J.D. Power and Associates ranks Fusion highest in dependability.

Sure, some of our competitors' devoted fans may simply dismiss this information and turn the page, in which case they are now most likely reading a simpler, more easily palatable ad for, say, deodorant body spray. And while it's sad to see them go,



we realize there's just no getting through to some people. Admittedly, those aren't the folks we're speaking to anyway.

No, we're speaking to more open-minded individuals.



The sort of individuals who would be pleased to hear that in the J.D. Power and Associates study of nearly 44,000 drivers, Fusion long-term quality measured highest in its class, making it the "Most Dependable Midsize Car."*



How did the study measure long-term quality, exactly?

By measuring problems owners have had with their three-year-old vehicles in the past year. Turns out, Fusion did quite well.

And while some may believe this is a flash-in-the-pan sort of 15 minutes for the Fusion, this is actually one of several surveys with similar results. In fact, for **three straight years**, RDA Group's QORS cumulative survey found Fusion quality can't be beat by Camry and Accord.**



Still, though, whom do we expect will be this interested in long-term quality? Well, people who care just as much about it as we do at Ford.

Still with us?

EXCELLENT

You're the type of person whose expectations we aim to meet and exceed.

So go ahead and carefully review the Ford Fusion. Then we invite you to look at the competition too. And after you've done that, we look forward to meeting you.

People who want to know every detail. As much as they possibly can. Who will look over everything, multiple times, to ensure they're making a well-informed decision. **Detail-oriented** people. People, much like yourself, who are still reading.

FORD FUSION

For more Fusion details and reactions from real Fusion owners, visit

ford.com.

*The Ford Fusion received the lowest number of problems per 100 vehicles among midsize cars in the proprietary J.D. Power and Associates 2011 Vehicle Dependability Study. Study based on 43,779 consumer responses measuring problems consumers experienced in the past 12 months with three-year-old vehicles (2008 model-year cars and trucks). Proprietary study results are based on experiences and perceptions of consumers surveyed October-December 2010. Your experiences may vary. Visit jdpower.com. **Based on J.D. Group's QORS cumulative survey at three months of ownership in three surveys of 2010 Ford competitive owners conducted 9/09-5/10.



Drive one.

better, smarter and ever more fuel-efficient vehicles. Says Miller: "We are seeing an increase in the number of older, high-mileage cars. It appears that people have reached the point where they need to trade in their old, tired cars. The spike in gas prices has also encouraged people to buy a more fuel-efficient car."

"Throughout the industry," says Florida dealer Tom Castriota, "manufacturers with new product offerings are adding to the increase of the market." But Castriota adds: "There are still two types of buyers: those who need to buy and those who want to buy something new. The current economic environment is preventing buyers who want that new car from buying." And yet, he says, "like everything in our business, it is about value, styling and a stronger awareness of fuel economy."

THE GREEN REVOLUTION

From Asia to Detroit to Europe, cars are slimming down. Every detail, part and ounce of excess weight in today's vehicles is scrutinized, as automakers of every nationality embrace the future—a future of clean-car tech, energy efficiency and design innovation aimed at maximum performance. What's driving the intense focus on clean and green? Two successive and dramatic fuel-efficiency standards announced by the Obama administration in the last two years. First, the 2009 mandate for a Corporate Average Fuel Economy (CAFE) of 35.5 mpg by 2016. Then, in July, President Obama announced the new CAFE standards for vehicle fleets: 54.5 mpg by 2025, representing the largest mandatory fuel economy increase in history.

The menu of slimming innovations ranges from lighter materials and sleeker aerodynamics to sophisticated computer chips and programmable electronic control units, to the absence of a spare tire. For now, says Miller, "most people care about clean air and the environment, but I do not believe this drives the decision-making process for most consumers." His customers—like most—still react to the price of gas at the time they are shopping. "When gas spikes up," he says, "the interest in hybrids goes up."

The inaugural J.D. Power & Associates "U.S. Green Automotive Study," released last spring, examined attitudes of U.S. consumers toward four key alternative power train technologies: hybrid electric, clean diesel, plug-in hybrid electric and battery electric. "Alternative power trains face an array of challenges as they attempt to gain widespread acceptance in the market," says Mike VanNieuwkyk, executive director of global vehicle research at J.D. Power. "It is the financial issues that most often resonate with consumers, whether it is the higher price of the vehicle itself, the expense to fuel or charge the vehicle, or the fear of higher maintenance." Consumers want to be green, he says, but not at the risk of significant personal cost.

In spite of that cost, WARD'S, the auto industry data and analysis firm, pegged U.S. sales of alternative-power-source light vehicles from January through August



DEALERS WHO MAKE A DIFFERENCE

**WINNER- FREEDOM FIGHTER
TOM CASTRIOTA, HUDSON, FLA.**



In a year of resilience, the 2011 national TIME Dealer of the Year, Tom Castriota of Castriota Chevrolet in Hudson, Fla., epitomized the award that has honored new-

car dealers for extraordinary community service for 43 years. After retiring as a U.S. Marine Corps lieutenant colonel in 2001, from 2006 through 2007 Castriota was recalled to active duty at age 53 in support of Operation Iraqi Freedom. Earlier this year, Castriota continued his mission closer to home. "The dealership completed a six-month cancer awareness and fund-raising campaign for the local chapter of the American Cancer Society," he says. The effort culminated in a 24-hour walk-a-thon that raised \$12,000.

**FINALIST-CHAMBER STAR
RICK JENSEN, NEW ULM, MINN.**



"It has been one of the greatest experiences I have had in my business career," says Rick Jensen, president of Jensen Motors, a Buick, Cadillac and GMC dealership in

New Ulm, Minn., about being named a finalist for the 2011 TIME Dealer of the Year award. Jensen, who served the New Ulm Chamber of Commerce with distinction for years, says, "When business is tough, it is most important that we do our best to take care of the customers we have."



From lighter materials to sleeker aerodynamics, cars are slimming down and going greener.

THE FUEL ECONOMY OF A COMPACT CAR WITHOUT ALL THAT COMPACT CAR-NESS.



Who says great gas mileage means being cramped? The new 2012 Buick LaCrosse, with eAssist technology does, innovative things like recycle the energy usually lost during braking. The result is a spacious luxury sedan that offers 36-mpg hwy.* Efficiency that lets you stretch your legs. That's your kind of luxury. Discover it at buick.com



36-MPG HWY BUICK LACROSSE WITH eASSIST

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2011 at 159,463 total light cars, including hybrids, electric vehicles (EVs) and fuel-cell vehicles. That total represented a 6.3% increase over the same period a year ago. Add another 20,793 light trucks for a total of 180,256 alternative power source light vehicles during that time. In fact, in late September, Nissan announced that it had sold its 7,000th all-electric LEAF. The future is gaining on you, pulling up right alongside. You might not hear it. But it's there to see.

In 2010, the combined production of consumer hybrid and electric vehicles totaled about 1.15 million worldwide. In 2016, according to ABI Research's forecasts, global production will approach 4.9 million. "The big change in the market in 2011 is the introduction of plug-in hybrids and pure electric vehicles from major manufacturers such as GM, Nissan and Mitsubishi," says ABI Research principal analyst David Alexander. "However, initial cost is still an issue for both hybrid and electric vehicles despite the considerable government incentives offered in many countries."

And when it comes to clean-car tech, Minnesota dealer Rick Jensen has the clear-eyed view of a Midwesterner: "People need to have a vehicle that fits their needs. They need to tow boats, campers and trailers and fit the family. Hockey families cannot fit in a subcompact. Farmers need trucks. That does not mean they do not care about clean air. Everyone cares about clean air. Most want a balance of responsible care of the environment and quality of life."

ELECTRICS COME OF AGE

When futuristic GE WattStations began showing up in ads in mainstream media in the summer of 2010, touting that "it's going to change the way we get to where we all want to go," the vision of a smart grid began to come into focus. Could we really get from Point A to Point B and back in an EV? GE's ads showed us how. Then, last spring, in a report on the convergence of EVs and smart grids, David Leeds, senior manager of smart grid research at Green Tech Media Research, wrote, "This year marks a turning point for electricity as a transportation fuel for passenger vehicles. Automakers are sending electric vehicles to market, with global penetration forecast to increase more than fivefold by 2016. The implications for

159

Hybrid and electric-vehicle models available for purchase in the U.S. market by the end of 2016, up from 31 in 2009

—B. Eisenstat Associates
2011 U.S. Green Automotive Study

electric power players and utilities are enormous."

The implications for consumers are enormous too. And yet, while many feel EV cost and performance are beginning to catch up to the hype, Nick Plakoris, auto industry expert and executive director of research and insights at Time Inc., says, "General acceptance still comes up against cost and ease of use." The research bears him out. According to J.D. Power, driving range

and availability of charging sites away from home—otherwise known as "range anxiety"—are the two chief concerns of consumers when considering electrics and plug-in hybrids. But thanks to emerging technologies, says Plakoris, "I do think we're moving in that direction."

The good news is that the federal government has developed a road map to catalyze a boom in the electric-car industry. The Department of Energy plans to boost investment in transport research to help spark a renaissance in the sector. Right now, the agency devotes 9% of its \$3 billion budget to vehicle electrification, but the DOE plans to

A FOUNDATION OF GOOD

IN EARLY SEPTEMBER, when Scholarship America hosted an "Evening of Remembrance" in New York City to thank those who contributed \$1 million or more to support the educational needs of 9/11 families, the National Automobile Dealers Charitable Foundation (NADCF)—one of the first donors—was there.

"This is a night to recognize the generosity of America," Scholarship America president and CEO Lauren Segel told the gathering. Within days of the attacks, Scholarship America established the Families of Freedom Scholarship Fund so sons and daughters

who lost a father or mother, or whose parent suffered permanent disability, could continue to further their education. Since

2001, the fund has provided \$74 million in scholarships to nearly 2,000 students. Roseanne Hughes, whose firefighter

husband died at the World Trade Center, said, "Without your generous and unselfish support, my two children, Ashley [now a CPA with a major accounting firm] and Patrick [a college junior], would not have been able to go to college."

NADCF chairman Bob Mallon spearheaded NADA efforts to raise donations for children of 9/11 victims by creating a Survivors Relief Fund that generated \$1.6 million in a matter of weeks. Says Mallon: "Scholarships restore hope in the future."



NADA Foundation chairman Bob Mallon with, from left, Ashley, Roseanne and Patrick Hughes, recipients of aid from Scholarship America and the National Automobile Dealers Charitable Foundation.



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GOODYEAR
MORE DRIVEN.

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The Snapshot device plugs into a car's onboard diagnostic port, and its sleek design houses the latest in telematics and mobile technology, enabling drivers to share their safe driving habits with Progressive. Snapshot is a game changer that puts insurance squarely at the intersection of today's interconnected world.



PROGRESSIVE

increase its spending and resources across the board to the electrification of the light-duty fleet. The ultimate goal is to offer consumers a host of options in the marketplace—from plug-in hybrids to battery-electric to fuel cell vehicles as the endpoint for electrification.

"Today, our nation is at a crossroad," writes Energy Secretary Steven Chu in a message accom-

3 MILLION

Charging stations forecast worldwide by 2016, up from 20,000 in 2010

—ABI Research

panying the inaugural Department of Energy Quadrennial Technology Review, released in late September. In the very near future, as car design continues to focus on a cleaner, greener driving experience, it's going to get easier, and much more affordable, for consumers to steer their buying decisions towards a sustainable future. ☐

THE AUTO REBORN

A snapshot of the array of green car options available at a showroom near you.

VEHICLE TYPE	CAPABILITIES	KEY ATTRIBUTES	ELECTRIC RANGE*	BATTERY CAPACITY*	FUELING OPTIONS
MILD HYBRID† (HEV)	Allows vehicle engine stop/start, may allow electronic assist of engine during propulsion	ICE required for all propulsion	0	small	Gasoline, does not plug in
STRONG HYBRID† (HEV)	Engine and electric drive used in combination to meet propulsion demands, batteries charged through regenerative braking, engine	Can be driven on electric power over very short distances	<1 mi.	<1 kWh	Gasoline, does not plug in
PLUG-IN HYBRID (PHEV)	Uses electric propulsion alone for all-electric range, then switches to HEV power management	Charges via the electrical grid	15–40 mi.	5–15 kWh	Gasoline, 120V wall outlet (3–10h), or 240V home charging station (1–4h)
FUEL-CELL ELECTRIC VEHICLE (FCEV)	Always electric propulsion, no ICE; energy is stored in the form of hydrogen, which is converted to electricity via a fuel cell	Requires a hydrogen fueling source	>250 mi.	N/A ("Electric Range" is on a full tank of hydrogen)	Fueling station (5 min.)
ALL-ELECTRIC VEHICLE (AEV)	Always electronic propulsion, no ICE; energy is stored in batteries	Requires high power charging for daily use	80–250 mi.	35–55 kWh	120 V wall outlet (20h), 240V home charging station (10h), or DC fast charging (30 min.)

* Both mild and strong hybrids are restricted to an "all-electric" range.
† Typical of fuel-cell vehicles, capabilities increase on FCEV as tank and battery size improve.
• Unknown battery capacities.
• Some PHEVs use the engine to recharge the battery; these can be referred to as "extended range."

SOURCE: QUADRENNIAL TECHNOLOGY REVIEW, SEPTEMBER 2011, DEPARTMENT OF ENERGY

YOU DON'T DRIVE LIKE THIS GUY.
SO WHY ARE YOU PAYING LIKE HIM?



BEING A GOOD DRIVER CAN SAVE YOU MONEY. Introducing our biggest discount ever: the Snapshot Discount, only from Progressive. It's the new, huge way to save more than ever on your car insurance. You plug it in your car and it keeps track of your good driving habits so we can lower your rate. Rewarding you for being a good driver. Now that's Progressive.



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THE DYNAMIC EVOLUTION and mass adoption of mobile devices and apps is unleashing an unprecedented wave of consumer and driver empowerment. From simple applications that help you find the least expensive gas near you—think GasBuddy, Cheap Gas!, GasBag and Yellow Pages—to countless navigation gadgets and driving apps that help get you there faster and cheaper, with less

traffic, less idling and less hassle, digital tools are changing the very nature of driving.

At the same time, the up-to-the-instant data in smartphones, tablets and other newfangled mobile devices are putting information in the palm of customers' hands, transforming the age-old customer-seller relationship by empowering consumers like never before and changing the traditional auto dealership give-and-take. Industry experts say it's all a net positive. "The better informed the consumer is when he or she walks into the showroom, the faster the transaction takes place and the more likely the customer is going to be satisfied," says David Hyatt, vice president and chief public affairs officer at NADA.

J.D. Power's "Online Auto Shoppers" study, released in June, revealed that more than three-fourths of new-vehicle buyers use the Internet in their vehicle shopping process. Despite this digital reliance, the role of the dealer remains paramount. "There is no question that consumers are better prepared and more knowledgeable of the cars that they want to buy," says dealer Miller. "However, buying a car is more than just picking out the model you want and determining what you have to pay for it. State and federal government regulations, trade-ins, and financing create a complicated transaction. Most customers seem to want a relationship with a dealer for service and to receive training in the use of their car. Our business will continue to evolve. Those dealers that provide the consumers ownership experience and service they are looking for will thrive."

With an iPhone or Android smartphone, an iPad, BlackBerry or the newest tablet coming down the pike, tapping into the latest apps or mobile sites on the go and in the heat of the new-car purchase process can turn the buyer into a veritable data bank of inventory information, reviews, price quotes, features and specs. From established names or upstarts, some of the car-shopping apps to consider today include Edmunds, Cars.com,

KBB.com, Car and Driver Buyer's Guide, Car Factor, CarsFinder, AutoTrader.com, TrueCar and CarWoo—and don't forget My Car Payment, Car Payment Calculator, or even GrooveCar, which helps credit union and potential credit union members facilitate new and pre-owned car buying,

selling and financing.

"It makes for an educated consumer," says dealer Castriota, NADA economist Taylor goes a step further: "It underscores the need for salespeople to be better informed. They spend more time talking about the technologies and attributes rather than financials and price

More than three-fourths of new vehicle buyers use the Internet in their vehicle-shopping process.

—J.D. Power's "Online Auto Shoppers"

issues. The customer may come in knowing the range of options and now wants to see them demonstrated. It makes it a more efficient and satisfying experience."

Even so, apps can't replace good, old-fashioned service, which means it's still all about kicking the tires. Says Plakoris: "Today, the showroom is a whole new experience—with touch, test-drives, kiosks, one-on-one perspective, and being able to meet with the dealer who is putting it all together—from sales to finance and insurance to service. They take you on a tour of the service center; you meet the service guy, the parts guy, wait in their restaurant; there's a place for the kids. You can't do all that on a mobile device." ☐

Mobile apps give customers the latest product information so they can make smart buying decisions.



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Joel Stein



Who Speaks for the 1%?

I do! They're just like the 99%, but they throw better weddings

DON'T LIKE THE TOP 1% OF ANYTHING. Intelligence? Boring! Fun? Exhausting! Thoughtfulness? Annoying! Hairiness? Too hairy!

So I get why the Occupy Wall Street protesters gained momentum with their slogan **WE ARE THE 99%**. Everyone loves the 99%. You can have a beer with the 99%. You can eat with your hands in front of the 99%. You can talk about TV shows with the 99% without them telling you that while they don't think there's anything wrong with TV, if they had one, so would watch it literally all the time, so it's better to just not keep one in the house.

But I've met some of the top 1%, and on average, they're interesting, generous and charming. You know who is in the top 1%? Tom Hanks. You know who is in the bottom 99%? Not Tom Hanks.

It's not just that we admire the 1%. We need them. The 1% started Time Inc., creating my job. They founded Stanford, where I went to college. They funded Facebook and my mortgage. They created the Bill & Melinda Gates Foundation, bankrolled most great art, paid for medical research and created genius grants. No one has ever woken up early to gather around a TV to watch a wedding of two 99 percenters.

Part of the reason I'm defending the 1% is that while all the other journalists waste their time with the Occupy Wall Street losers, the 1% are available for some serious networking. But when I started talking to them, I learned that for all their supposed power, they are now too afraid to stand up for themselves. When I asked Kathy Griffin to explain why she and her fellow 1 percenters are a boon to society, she said, "I wouldn't touch that topic with

a 10-foot pole made out of \$100 bills I made from *Suddenly Susan* Season 2." Mark Cuban, the billionaire owner of the Dallas Mavericks who isn't even afraid of NBA refs, said, "I think there are financial engineers that add no value and fit the Occupy Wall Street stereotypes. They are the 1% of the 1% that f---k it up for everyone." In other words, Cuban is going with the rallying cry, "We are the 99.99%."

So I guess it's up to me to point out that all this anger about income inequality is misplaced because, unlike any other time in history, these days the 1% don't live that differently than the middle class does. Never before has \$10 wine tasted so much like \$1,000 bottles—and the \$10 bottles come with pictures of cute animals! A \$15,000 car breaks down as rarely as one that costs \$250,000 and has far more cup holders. The middle class and the rich watch the same stuff on TV and in movie theaters, have equal access to Wikipedia and pay the same college graduates to do nothing but make us complicated coffee drinks. It is so difficult for the 1% to live differently that they have to collect art. Collecting art is so boring, there aren't any reality shows about it.

I get that we need someone to blame. Everyone loves the banker when they're borrowing and hates him when they have to pay him back.

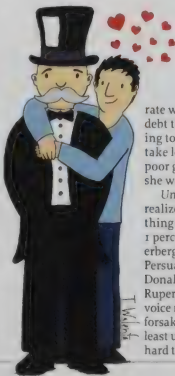
They also hate him when he claims to have mixed up the orange \$500s with the light peach \$100s and suddenly has a lot of cash even though he owns only Vermont and Oriental Avenues. I don't know a lot about banking. But I do not believe that the worldwide recession was caused by financial derivatives created by the 1% who tricked the innocent 99%. I believe it was created by the great wide middle class who took out loans to live out the techno-bling dream we deified in rap songs and reality TV. Credit card debt went up 75% from 1997 to 2007. We're now a nation of really poor people with a lot of frequent-flier miles.

The Tea Party and Occupy Wall Street are both right: We need government to get smaller and bigger. I'd argue for slashing middle-class entitlements but also adding services for migrant workers and that new poverty-stricken Muppet, Lily, who has to live on the same street as a monster who shoves cookies into his mouth just to let them fall right out.

But even I, who scored only in the 95th percentile on my math SAT, know that we are not going to dig out of our nation's debt just by jacking up taxes on the 1%. Raising their tax

rate won't change the overall debt that much. We are all going to have to pay more and take less. Except for Lily. That poor girl can have whatever she wants.

Until people calm down and realize that, we should do something nice for the besieged 1 percenters. Invite Mark Zuckerberg to join you on FarmVille. Persuade your wife to e-mail Donald Trump a racy photo. Let Rupert Murdoch listen to your voice mail. Watch that god-forsaken Oprah network. At least until they get through this hard time.



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10 Questions



During World War II, Stevens' code breaking helped bring down Japanese Admiral Isoroku Yamamoto's plane

Former Supreme Court Justice **John Paul Stevens** on guns, the death penalty and doubting Shakespeare

Let's start with the most controversial stuff. Why bow ties?
I have difficulty tying the four-in-hand. The small part gets around in front.

In your book *Five Chiefs*, you write about how you voted to reinstate the death penalty but would not now. Why?

In 1976 those of us who were the critical voters in favor of upholding the death penalty understood that it would be applied in a very narrow set of cases—really outrageous crimes. And we also assumed there would be careful procedures in place that would minimize the risk of making mistakes. Over the years, the court expanded the category of cases in which the death penalty is permissible. And they modified some of the procedures that protected the defendant, like allowing victim-impact statements. Basically, they changed the rules.

How do you feel about the *Citizens United* decision, which allows corporations to spend as much as they want on campaign advertising?

I feel strongly that the court made a serious mistake in finding that money is the equivalent of protected speech. If followed out to its logical conclusion, that would have provided First Amendment protection to the Watergate burglars. They were financed with campaign expenditures.

One in nine black men ages 20 to 34 in the U.S. is incarcerated. Is that a judicial-system problem?

The use of mandatory minimum statutes has had a very adverse effect on the overall system, and I think generally, the so-called war on drugs has emphasized more-severe punishment than is appropriate throughout

the country. There are some instances where penalties are so disproportionate that they could well violate the Eighth Amendment.

If you could fix one thing about the American judicial system, what would it be?

I would make all my dissents into majority opinions.

Is there one in particular?

I would change the interpretation of the Second Amendment. The court got that quite wrong. Gun policy should be handled by legisla-

tures and by states, not by federal judges appointed for life.

How did the arrival of women change the Supreme Court?
I can't really identify any change in jurisprudence that is attributable just to that fact. In fact, the major change in terms of gender discrimination came about by a decision written by Warren Burger holding that discrimination against women in appointing an executor of an estate violated the Constitution.

You note that Burger and John Roberts are both good-looking. How important is that in a Chief Justice?

Not terribly, but it's a strong plus.

In your opinion, who wrote Shakespeare's plays?

That's a very close question. I think there are good questions about a man who never seemed to have any correspondence with his contemporaries about the plays. When he passed, there were no eulogies to him, and when you visit his home and look around for evidence of a scholarly person, there are no books in the house.

Is there any other judging you'd like to do—*Miss Universe*, *Dancing with the Stars*?
I wouldn't qualify for *Dancing with the Stars*. I'm sure of that. I'm not sure my competence in the judicial area qualifies me to become an expert in any other. —BELINDA LUSCOMBE



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